

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: January 29, 2010

TO: Eric DeLong
Deputy City Manager

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: 2009 FINAL WATER/SEWER RATE REVIEW – CALENDAR YEAR 2010
RATES

This is the final report for water and sewer rates effective as of January 1, 2010 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 initiated by the uniform service agreements with our UAB partners.

This rate review marks the fourth 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 \$153,160 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 Walker and Grand Rapids Township. The sewage system provided partial relief to Walker, Kentwood, Cascade Township, Grand Rapids Township, Tallmadge Township and Wright Township.

The 2010 water rates reflect increases for: supplies at the Lake Plant, pavement repairs, construction of the Dean Lake transmission main, Phase I of the South Walker watermain extension, decreased integrated connection fees, and decreases in billed volume. Sewer rates for 2010 reflect increases for CSO debt service, contractual large sewer cleaning, claims due to wet weather, Saddleback sewer project work, decreased integrated connection fees, and decreases in billed volume.

Summaries of overall revisions for the systems are as follows:

1. Water Supply System revenue requirements increased \$3,866,175 or 9.89% more than revenues generated by existing rates and charges.

2. Sewage Disposal System revenue requirements increased \$6,325,933 or 14.04% more than revenues generated by existing rates and charges.

Attached is a schedule of comparative 2009/2010 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 2009/2010 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 2010 water and sewer rates to our UAB partners and other customer communities was made on Friday, November 6, 2009. Concurrence with customer community rates by the City Commission was approved by resolution (#78901) on December 15, 2009.

Public hearings for water and sewer rates and charges in Grand Rapids were held on December 1, 2009 under file No. 78863 and No. 78864. The City Commission resolved (#78873 & #78874) final adoption of water and sewer rate ordinances (2009-66 & 2009-67) on December 15, 2009.

LW

Attachment

CITY OF GRAND RAPIDS, MICHIGAN
2009 FINAL WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON WHOLESALE USERS
January 29, 2010

	<u>2009</u>	<u>2010</u>	<u>PERCENTAGE CHANGE</u>
EAST GRAND RAPIDS			
WATER - SERVICE (MONTHLY)	\$ 19,061.00	\$ 18,821.00	-1.26%
- COMMODITY (100 CF)	1.13	1.27	12.39%
SEWER - SERVICE (MONTHLY)	1,865.00	2,374.00	27.29%
- COMMODITY (MG)	1,538.00	1,575.00	2.41%
 ADA TWP			
WATER - SERVICE	\$ 39,018.00	\$ 44,124.00	13.09%
- COMMODITY	1.21	1.36	12.40%
SEWER - SERVICE	6,743.00	16,514.00	144.91%
- COMMODITY	1,832.00	1,892.00	3.28%
 OTTAWA COUNTY			
WATER - SERVICE	\$ 29.00	\$ -	-100.00%
- COMMODITY	1.20	1.34	11.67%
 GAINES TWP			
SEWER - SERVICE	\$ 1,714.00	\$ 2,146.00	25.20%
- COMMODITY	1,417.00	1,229.00	-13.27%

**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	11
Public Hearing - Grand Rapids Rate Ordinances	12
Final Adoption of Grand Rapids Rate Ordinances	14
Introduction of Resolution Approving Customer Community Rates	20
Wright Township- Sewer Contribution	23
Approval of Customer Community Rates	25
Retail Rates Summary – Calendar Year 2010	60
Wholesale Rates Summary – Calendar Year 2010	61

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**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 SYSTEM ADDITIONS AND IMPROVEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009
 TASKS NO. 1, 2, & 3**

COMMUNITY	LOCAL		INTERMEDIATE		PRIMARY		TOTALS	
	FEET	MILES	FEET	MILES	FEET	MILES	FEET	MILES
Grand Rapids								
Construction	9,266	1.75	13,101	2.48	8,220	1.56	30,587	5.79
Abandonment	(12,775)	(2.42)	(10,469)	(1.98)	(1,400)	(0.27)	(24,644)	(4.67)
CSO Construction	3,765	0.71	1,288	0.24	95	0.02	5,148	0.97
CSO Abandonment	(5,833)	(1.10)		0.00		0.00	(5,833)	(1.10)
	(5,577)	(1.06)	3,920	0.74	6,915	1.31	5,258	0.99
Kentwood								
Construction	3,359	0.64	1,074	0.20		0.00	4,433	0.84
Abandonment		0.00		0.00		0.00	0	0.00
	3,359	0.64	1,074	0.20	0	0.00	4,433	0.84
Cascade Twp.								
Construction	203	0.04	(40)	(0.01)	3	0.00	166	0.03
Abandonment	(165)	(0.03)		0.00		0.00	(165)	(0.03)
	38	0.01	(40)	(0.01)	3	0.00	1	0.00
G.R. Twp.								
Construction	8,911	1.69	62	0.01	4,909	0.93	13,882	2.63
Abandonment	(4,341)	(0.82)		0.00		0.00	(4,341)	(0.82)
	4,570	0.87	62	0.01	4,909	0.93	9,541	1.81
Tallmadge Twp.								
Construction	(99)	(0.02)	10	0.00		0.00	(89)	(0.02)
Abandonment		0.00		0.00		0.00	0	0.00
	(99)	(0.02)	10	0.00	0	0.00	(89)	(0.02)
Walker								
Construction	181	0.03	9,214	1.75		0.00	9,395	1.78
Abandonment		0.00		0.00		0.00	0	0.00
	181	0.03	9,214	1.75	0	0.00	9,395	1.78
TOTAL	2,472	0.47	14,240	2.69	11,827	2.24	28,539	5.40

WATER COSTS

COMMUNITY	COMMUNITY COST
Grand Rapids	\$ (8,195)
Kentwood	313,325
Cascade Twp.	9,267
Grand Rapids Twp.	249,291
Tallmadge Twp.	(397)
Walker	25,163
TOTAL	\$ 588,454

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
OPERATING EXPENSE ALLOCATION BY COST CENTER - TASK #4, PART 1
FISCAL YEAR ENDED JUNE 30, 2009**

ACTIVITY CODE	ACTIVITY	EXPENSE BY ACTIVITY	PUMPING STATIONS			WATERMAINS			RETAIL CUSTOMER METERING	ENGIN. SERVICES	ADMIN. EXPENSE
			PRIMARY	INTERM.	PRIMARY TRANSPORT	INTERMED. TRANSPORT	LOCAL DISTRIBUTION				
0430	TREASURER-CUSTOMER SERVICE	\$ 328,837						\$ 328,837			
4312	WATER-CUSTOMER SERVICE *	2,848,619						2,848,619			
4315	ENGINEERING	1,241,516							1,241,516		
4320	COLDBROOK CONTROL	1,400,475	1,400,475								
4322	COLDBROOK DISTRIBUTION	2,526,316	722,613	1,803,703							
4331	FIELD OPERATIONS	6,700,371			339,374		1,700,018				
4342	FILTRATION	7,225,062		7,225,062							
	SUBTOTAL OPERATING EXPENSE	22,271,196	2,123,088	1,803,703	339,374		1,700,018	3,177,456	1,241,516	-	
4311	ADMINISTRATION	2,815,030								2,815,030	
	TOTAL	\$ 25,086,226	\$ 2,123,088	\$ 1,803,703	\$ 339,374		\$ 1,700,018	\$ 3,177,456	\$ 1,241,516	\$ 2,815,030	

* 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%	28.600%	71.400%						
4331	FIELD OPERATIONS	100.000%			5.065%		25.372%			69.563%
	TOTAL MILES OF MAIN	1,157.33			58.62		293.64			805.07
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, 2009**

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	\$ 7,225,062	\$ 7,225,062												
PUMPING STATIONS:														
A. PRIMARY TRANSPORT	2,123,088	2,123,088												
B. INTERMEDIATE TRANSPORT	1,803,703		1,466,021	43,265	296,417									
WATERMAINS:														
A. PRIMARY TRANSPORT	339,374		279,224	18,642	26,400	9,726	5,382							
B. INTERMEDIATE TRANSPORT	1,700,018		645,923	354,029	311,885	224,980	139,469	23,732						
C. LOCAL DISTRIBUTION	4,660,979		3,447,912	357,078	316,667	249,549	275,883	13,890						
RETAIL CUSTOMER METERING	3,177,456		2,417,473	251,273	210,538	134,216	157,538	6,418						
SUBTOTAL OPERATING EXPENSE	21,029,680	9,348,150	8,255,553	1,024,287	1,160,907	618,471	578,272	44,040						
ENGINEERING SERVICES	1,241,516	551,878	487,382	60,474	68,532	36,513	34,142	2,595						
ADMINISTRATIVE EXPENSE	2,815,030	1,239,467	1,112,040	138,728	156,526	83,935	78,356	5,978						
TOTAL	\$ 25,086,226	\$ 11,139,495	\$ 9,854,975	\$ 1,223,489	\$ 1,385,965	\$ 738,919	\$ 690,770	\$ 52,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

W - 3

METHOD OF DISTRIBUTION

FILTRATION PLANTS														
PUMPING STATIONS														
A. PRIMARY TRANSPORT	100.00%	100.00%												
B. INTERMEDIATE TRANSPORT	100.00%	100.00%	81.223%	2.399%	16.378%									
MEMO														
WATERMAINS														
TOTAL MILES:	1,157.33													
A. PRIMARY TRANSPORT			82.276%	5.493%	7.779%	2.866%	1.586%							
MILES	58.62		48.23	3.22	4.56	1.68	0.93							
B. INTERMEDIATE TRANSPORT			37.995%	20.825%	18.346%	13.234%	8.204%	1.395%						
MILES	283.64		111.57	61.15	53.87	38.86	24.09	4.10						
C. LOCAL DISTRIBUTION			73.974%	7.661%	6.794%	5.354%	5.919%	0.298%						
MILES	805.07		595.54	61.68	54.70	43.10	47.65	2.40						
RETAIL CUSTOMER METERING (1)			76.082%	7.908%	6.626%	4.224%	4.958%	0.202%						
NUMBER OF METERS	80,129.00		60,963.00	6,337.00	5,309.00	3,385.00	3,973.00	162.00						
ENGINEERING SERVICES (2)			100.000%	44.452%	4.871%	2.941%	2.750%	0.208%						
ADMINISTRATIVE EXPENSE (3)			100.000%	44.031%	4.928%	2.982%	2.783%	0.212%						

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, 2009**

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	\$ 349,519					\$ 349,519		
4312	WATER-CUSTOMER SERVICE *	3,113,192					3,113,192		
4315	ENGINEERING	1,154,029						1,154,029	
4320	COLDBROOK CONTROL	1,372,133	1,372,133						
4322	COLDBROOK DISTRIBUTION	2,585,667	739,590	1,846,077					
4331	FIELD OPERATIONS	6,695,280			339,116	1,698,726			
4342	FILTRATION	7,369,261	7,369,261						
	SUBTOTAL OPERATING EXPENSE	22,639,081	2,111,723	1,846,077	339,116	1,698,726	3,462,711	1,154,029	-
4311	ADMINISTRATION	3,042,036							3,042,036
	TOTAL	\$ 25,681,117	\$ 2,111,723	\$ 1,846,077	\$ 339,116	\$ 1,698,726	\$ 3,462,711	\$ 1,154,029	\$ 3,042,036

* 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%	28.600%	71.400%					
4331	FIELD OPERATIONS	100.000%			5.065%	25.372%	69.563%		
	TOTAL MILES OF MAIN	1,157.33			58.62	293.64	805.07		
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, 2009**

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	\$ 7,369,261	\$ 7,369,261												
PUMPING STATIONS:														
A. PRIMARY TRANSPORT	2,111,723	2,111,723												
B. INTERMEDIATE TRANSPORT	1,846,077		1,499,438	44,282	302,357									
WATERMAINS:														
A. PRIMARY TRANSPORT	339,116		279,011	18,628	26,380	9,719	5,378							
B. INTERMEDIATE TRANSPORT	1,698,726		645,432	353,760	311,648	224,809	139,363	23,714						
C. LOCAL DISTRIBUTION	4,657,438		3,445,294	356,806	316,426	249,359	275,674	13,879						
RETAIL CUSTOMER METERING	3,462,711		2,634,500	273,831	229,439	146,265	171,681	6,995						
SUBTOTAL OPERATING EXPENSE	21,485,052	9,480,984	8,503,675	1,047,307	1,186,250	630,152	592,096	44,588						
ENGINEERING SERVICES	1,154,029	509,250	466,753	56,259	63,714	33,848	31,805	2,400						
ADMINISTRATIVE EXPENSE	3,042,036	1,330,606	1,210,865	149,906	169,087	90,370	84,780	6,422						
TOTAL	\$ 25,681,117	\$ 11,320,840	\$ 10,171,293	\$ 1,253,472	\$ 1,419,051	\$ 754,370	\$ 708,681	\$ 53,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

METHOD OF DISTRIBUTION

FILTRATION PLANTS	100.00%	100.00%												
PUMPING STATIONS														
A. PRIMARY TRANSPORT	100.00%	100.00%												
B. INTERMEDIATE TRANSPORT	100.00%		81.223%	2.399%	16.378%									
MEMO														
TOTAL MILES:	1,157.33													
A. PRIMARY TRANSPORT	58.62		82.276%	5.493%	7.779%	2.866%	1.586%							
MILES			48.23	3.22	4.56	1.68	0.93							
B. INTERMEDIATE TRANSPORT	293.64		37.995%	20.825%	18.346%	13.234%	8.204%	1.396%						
MILES			111.57	61.15	53.87	38.86	24.09	4.10						
C. LOCAL DISTRIBUTION	805.07		73.974%	7.661%	6.794%	5.354%	5.919%	0.298%						
MILES			595.54	61.68	54.70	43.10	47.65	2.40						
RETAIL CUSTOMER METERING (1)	80,129.00		76.082%	7.908%	6.626%	4.224%	4.958%	0.202%						
NUMBER OF METERS			60,963.00	6,337.00	5,309.00	3,385.00	3,973.00	162.00						
ENGINEERING SERVICES (2)			39.579%	4.875%	5.521%	2.933%	2.756%	0.208%						
ADMINISTRATIVE EXPENSE (3)			39.804%	4.928%	5.558%	2.971%	2.787%	0.211%						

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, 2009
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	\$ 46,744.76	\$ 21,367.03	\$ 68,111.79
706	PERMANENT EMPLOYEES	427,962.74	19,472.30	447,435.04
709	TIME & ONE-HALF	1,907.75	86.80	1,994.55
710	ACT.ASSIGNMENT	20.65	0.94	21.59
715	EMPLOYERS SOCIAL SECURITY	32,170.05	1,463.74	33,633.79
717	SPECIAL PENSION BENEFITS	5,802.00	-	5,802.00
719	HOSPITALIZATION INSURANCE	71,651.56	(587.54)	71,064.02
721	LONGEVITY PAY	5,021.78	-	5,021.78
722	RETIREMENT FUND CONTRIBUTION	31,066.75	15,750.84	46,817.59
725	STAFFING REVISIONS		96,251.04	96,251.04
	TOTAL PERSONAL SERVICES	<u>622,348.04</u>	<u>153,805.15</u>	<u>776,153.19</u>
728	SUPPLIES	471.00	-	471.00
768	CLOTHING/CLEANING ALLOWANCE	650.00	-	650.00
	TOTAL SUPPLIES	<u>1,121.00</u>	<u>-</u>	<u>1,121.00</u>
810	BAD DEBT WRITE-OFFS	4,178.13	-	4,178.13
814	COMPUTER SERVICES	425,410.11	-	425,410.11
818	CONTRACTUAL SERVICES	34,495.63	-	34,495.63
835	FEES	2,441.31	-	2,441.31
872	PROFESSIONAL DEVELOPMENT	10,320.41	-	10,320.41
873	OTHER TRAVEL AND TRAINING	10,166.59	-	10,166.59
874	LOCAL BUSINESS EXPENSE	1,802.53	-	1,802.53
875	MEMBERSHIPS	53,177.78	-	53,177.78
876	PUBLICATIONS AND SUBSCRIPTIONS	3,020.70	-	3,020.70
880	COMMUNITY PROMOTION	9,937.28	-	9,937.28
912	CLAIMS/GENERAL INSURANCE	322,458.47	-	322,458.47
919	INSURANCE PREMIUMS	166,630.00	(23,098.00)	143,532.00
928	TELEPHONE	7,965.03	-	7,965.03
930	MAINTENANCE REPAIR	2,611.00	-	2,611.00
945	LAND RENTAL OR LEASE	2,321.32	-	2,321.32
947	VEHICLE RENTAL/CAR MILEAGE	3,933.29	-	3,933.29
	TOTAL OTHER SERVICES & CHARGES	<u>1,060,869.58</u>	<u>(23,098.00)</u>	<u>1,037,771.58</u>
982	EQUIPMENT	11,652.84	-	11,652.84
	TOTAL CAPITAL	<u>11,652.84</u>	<u>-</u>	<u>11,652.84</u>
999	OPERATING TRANSFERS OUT	1,119,038.04	96,298.96	1,215,337.00
	TOTAL TRANSFERS/FEES	<u>1,119,038.04</u>	<u>96,298.96</u>	<u>1,215,337.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,815,029.50</u>	<u>\$ 227,006.11</u>	<u>\$ 3,042,035.61</u>

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2009
RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 4312- CUSTOMER SERVICES

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ 218,362.61	\$ 99,813.55	\$ 318,176.16
706	PERMANENT EMPLOYEES	1,988,673.05	90,484.62	2,079,157.67
707	TEMPORARY EMPLOYEES	38,680.15	1,759.95	40,440.10
708	SHIFT DIFFERENTIAL	884.22	-	884.22
709	TIME & ONE-HALF	148,335.04	6,749.24	155,084.28
710	ACT.ASSIGNMENT	13,994.63	636.76	14,631.39
712	UNEMPLOYMENT COMPENSATION	8,978.35	-	8,978.35
715	EMPLOYERS SOCIAL SECURITY	168,335.28	7,659.26	175,994.54
719	HOSPITALIZATION INSURANCE	609,893.79	(5,001.13)	604,892.66
721	LONGEVITY PAY	25,058.76	-	25,058.76
722	RETIREMENT FUND CONTRIBUTION	163,801.08	83,047.15	246,848.23
725	STAFFING REVISIONS		112,181.00	112,181.00
	TOTAL PERSONAL SERVICES	<u>3,384,996.96</u>	<u>397,330.40</u>	<u>3,782,327.36</u>
728	SUPPLIES	21,756.69	-	21,756.69
730	POSTAGE	245,119.61	-	245,119.61
768	CLOTHING/CLEANING ALLOWANCE	43.50	-	43.50
	TOTAL SUPPLIES	<u>266,919.80</u>	<u>-</u>	<u>266,919.80</u>
814	COMPUTER SERVICES	475,298.60	-	475,298.60
818	CONTRACTUAL SERVICES	459,867.86	280,875.00	740,742.86
848	SUBSIDY	180,000.00	(180,000.00)	-
874	LOCAL BUSINESS EXPENSE	180.00	-	180.00
876	PUBLICATIONS AND SUBSCRIPTIONS	416.40	-	416.40
900	PRINTING & PUBLISHING	3,108.00	-	3,108.00
928	TELEPHONE	16,917.38	-	16,917.38
930	MAINTENANCE REPAIR	414,325.83	-	414,325.83
943	EQUIPMENT RENTALS OR LEASE	146,207.74	-	146,207.74
947	VEHICLE RENTAL/CAR MILEAGE	9,706.05	-	9,706.05
	TOTAL OTHER SERVICES & CHARGES	<u>1,706,027.86</u>	<u>100,875.00</u>	<u>1,806,902.86</u>
981	FURNITURE	5,761.36	-	5,761.36
982	EQUIPMENT	402.98	-	402.98
	TOTAL CAPITAL	<u>6,164.34</u>	<u>-</u>	<u>6,164.34</u>
	ORGANIZATIONAL UNIT TOTAL (GROSS)	\$ 5,364,108.96	\$ 498,205.40	\$ 5,862,314.36
	LESS: SDSF CONTRIBUTION *	(2,515,490.00)	(233,632.60)	(2,749,122.60)
	ORGANIZATIONAL UNIT TOTAL (NET)	<u>\$ 2,848,618.96</u>	<u>\$ 264,572.80</u>	<u>\$ 3,113,191.76</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, 2009
 RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 4315- ENGINEERING

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ 69,665.90	\$ 31,844.28	\$ 101,510.18
706	PERMANENT EMPLOYEES	639,965.03	29,118.41	669,083.44
707	TEMPORARY EMPLOYEES	30,642.64	1,394.24	32,036.88
709	TIME & ONE-HALF	9,631.41	438.23	10,069.64
710	ACT.ASSIGNMENT	87.72	3.99	91.71
712	UNEMPLOYMENT COMPENSATION	1,538.94	-	1,538.94
715	EMPLOYERS SOCIAL SECURITY	51,251.55	2,331.95	53,583.50
719	HOSPITALIZATION INSURANCE	153,438.07	(1,258.19)	152,179.88
721	LONGEVITY PAY	4,477.41	-	4,477.41
722	RETIREMENT FUND CONTRIBUTION	52,293.49	26,512.80	78,806.29
725	STAFFING REVISIONS		(177,872.28)	(177,872.28)
	TOTAL PERSONAL SERVICES	<u>1,012,992.16</u>	<u>(87,486.57)</u>	<u>925,505.59</u>
728	SUPPLIES	5,318.07	-	5,318.07
	TOTAL SUPPLIES	<u>5,318.07</u>	<u>-</u>	<u>5,318.07</u>
814	COMPUTER SERVICES	110,684.32	-	110,684.32
818	CONTRACTUAL SERVICES	2,265.00	-	2,265.00
872	PROFESSIONAL DEVELOPMENT	12.00	-	12.00
873	OTHER TRAVEL AND TRAINING	235.00	-	235.00
876	PUBLICATIONS AND SUBSCRIPTIONS	129.50	-	129.50
928	TELEPHONE	7,763.31	-	7,763.31
930	MAINTENANCE REPAIR	589.45	-	589.45
943	EQUIPMENT RENTALS OR LEASE	57,166.96	-	57,166.96
947	VEHICLE RENTAL/CAR MILEAGE	1,710.00	-	1,710.00
	TOTAL OTHER SERVICES & CHARGES	<u>180,555.54</u>	<u>-</u>	<u>180,555.54</u>
999	OPERATING TRANSFERS OUT	42,650.04	-	42,650.04
	TOTAL TRANSFERS/FEEES	<u>42,650.04</u>	<u>-</u>	<u>42,650.04</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 1,241,515.81</u>	<u>\$ (87,486.57)</u>	<u>\$ 1,154,029.24</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2009
 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	\$ 88,011.27	\$ 40,229.95	\$ 128,241.22
706	PERMANENT EMPLOYEES	834,463.18	37,968.07	872,431.25
708	SHIFT DIFFERENTIAL	7,997.08	-	7,997.08
709	TIME & ONE-HALF	26,567.47	1,208.82	27,776.29
710	ACT.ASSIGNMENT	3.09	0.14	3.23
714	REGULAR HOURLY RATE	2,728.67	124.15	2,852.82
715	EMPLOYERS SOCIAL SECURITY	63,949.49	2,909.70	66,859.19
719	HOSPITALIZATION INSURANCE	209,081.67	(1,714.47)	207,367.20
721	LONGEVITY PAY	9,167.97	-	9,167.97
722	RETIREMENT FUND CONTRIBUTION	66,048.20	33,486.44	99,534.64
725	STAFFING REVISIONS		(142,554.88)	(142,554.88)
	TOTAL PERSONAL SERVICES	<u>1,308,018.09</u>	<u>(28,342.08)</u>	<u>1,279,676.01</u>
728	SUPPLIES	6,287.85	-	6,287.85
768	CLOTHING/CLEANING ALLOWANCE	162.50	-	162.50
	TOTAL SUPPLIES	<u>6,450.35</u>	<u>-</u>	<u>6,450.35</u>
814	COMPUTER SERVICES	2,585.14	-	2,585.14
928	TELEPHONE	60,323.14	-	60,323.14
930	MAINTENANCE REPAIR	4,264.46	-	4,264.46
943	EQUIPMENT RENTALS OR LEASE	18,263.68	-	18,263.68
947	VEHICLE RENTAL/CAR MILEAGE	570.00	-	570.00
	TOTAL OTHER SERVICES & CHARGES	<u>86,006.42</u>	<u>-</u>	<u>86,006.42</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 1,400,474.86</u>	<u>\$ (28,342.08)</u>	<u>\$ 1,372,132.78</u>

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2009
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	\$ 41,492.69	\$ 18,966.31	\$ 60,459.00
706	PERMANENT EMPLOYEES	384,079.81	17,475.63	401,555.44
707	TEMPORARY EMPLOYEES	1,568.88	71.38	1,640.26
709	TIME & ONE-HALF	7,474.42	340.09	7,814.51
715	EMPLOYERS SOCIAL SECURITY	29,488.62	1,341.73	30,830.35
719	HOSPITALIZATION INSURANCE	102,643.15	(841.67)	101,801.48
721	LONGEVITY PAY	4,607.09	-	4,607.09
722	RETIREMENT FUND CONTRIBUTION	31,148.19	15,792.13	46,940.32
725	STAFFING REVISIONS		6,205.04	6,205.04
	TOTAL PERSONAL SERVICES	<u>602,502.85</u>	<u>59,350.64</u>	<u>661,853.49</u>
728	SUPPLIES	92,172.06	-	92,172.06
768	CLOTHING/CLEANING ALLOWANCE	419.00	-	419.00
	TOTAL SUPPLIES	<u>92,591.06</u>	<u>-</u>	<u>92,591.06</u>
814	COMPUTER SERVICES	31,393.92	-	31,393.92
921	ELECTRICITY	1,185,931.08	-	1,185,931.08
922	WATER	3,496.84	-	3,496.84
923	GAS	84,597.91	-	84,597.91
930	MAINTENANCE REPAIR	465,719.85	-	465,719.85
943	EQUIPMENT RENTALS OR LEASE	55,564.08	-	55,564.08
947	VEHICLE RENTAL/CAR MILEAGE	25.00	-	25.00
959	REFUSE COLLECTION CHARGES	4,493.85	-	4,493.85
	TOTAL OTHER SERVICES & CHARGES	<u>1,831,222.53</u>	<u>-</u>	<u>1,831,222.53</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,526,316.44</u>	<u>\$ 59,350.64</u>	<u>\$ 2,585,667.08</u>

CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2009
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	\$ 229,206.40	\$ 104,770.25	\$ 333,976.65
706	PERMANENT EMPLOYEES	2,088,190.65	95,012.67	2,183,203.32
707	TEMPORARY EMPLOYEES	22,144.48	1,007.57	23,152.05
708	SHIFT DIFFERENTIAL	1,361.65	-	1,361.65
709	TIME & ONE-HALF	325,582.25	14,813.99	340,396.24
710	ACT.ASSIGNMENT	476.39	21.68	498.07
715	EMPLOYERS SOCIAL SECURITY	186,680.73	8,493.97	195,174.70
719	HOSPITALIZATION INSURANCE	589,575.29	(4,834.52)	584,740.77
721	LONGEVITY PAY	24,542.99	-	24,542.99
722	RETIREMENT FUND CONTRIBUTION	168,689.66	85,525.66	254,215.32
725	STAFFING REVISIONS		(309,902.49)	(309,902.49)
	TOTAL PERSONAL SERVICES	<u>3,636,450.49</u>	<u>(5,091.22)</u>	<u>3,631,359.27</u>
728	SUPPLIES/INVENTORY	13,948.48	-	13,948.48
730	POSTAGE	58.80	-	58.80
785	PAVEMENT REPAIR	951,724.52	-	951,724.52
	TOTAL SUPPLIES	<u>965,731.80</u>	<u>-</u>	<u>965,731.80</u>
814	COMPUTER SERVICES	107,454.48	-	107,454.48
818	CONTRACTUAL SERVICES	9,275.00	-	9,275.00
921	ELECTRICITY	47,948.91	-	47,948.91
922	WATER	925.67	-	925.67
923	GAS	40,271.90	-	40,271.90
928	TELEPHONE	19,143.41	-	19,143.41
930	MAINTENANCE REPAIR	1,041,834.56	-	1,041,834.56
943	EQUIPMENT RENTALS OR LEASE	829,054.76	-	829,054.76
947	VEHICLE RENTAL/CAR MILEAGE	2,280.00	-	2,280.00
	TOTAL OTHER SERVICES & CHARGES	<u>2,098,188.69</u>	<u>-</u>	<u>2,098,188.69</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 6,700,370.98</u>	<u>\$ (5,091.22)</u>	<u>\$ 6,695,279.76</u>

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2009
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	\$ 237,042.34	\$ 108,352.05	\$ 345,394.39
706	PERMANENT EMPLOYEES	2,150,995.10	97,870.28	2,248,865.38
708	SHIFT DIFFERENTIAL	7,777.18	-	7,777.18
709	TIME & ONE-HALF	79,607.71	3,622.15	83,229.86
710	ACT.ASSIGNMENT	1,462.82	66.56	1,529.38
714	REGULAR HOURLY RATE	1,599.17	72.76	1,671.93
715	EMPLOYERS SOCIAL SECURITY	174,950.15	7,960.23	182,910.38
719	HOSPITALIZATION INSURANCE	564,722.57	(4,630.73)	560,091.84
721	LONGEVITY PAY	20,410.29	-	20,410.29
722	RETIREMENT FUND CONTRIBUTION	177,050.03	89,764.37	266,814.40
725	STAFFING REVISIONS		(158,878.86)	(158,878.86)
	TOTAL PERSONAL SERVICES	<u>3,415,617.36</u>	<u>144,198.81</u>	<u>3,559,816.17</u>
728	SUPPLIES	1,207,758.07	-	1,207,758.07
730	POSTAGE	142.24	-	142.24
768	CLOTHING/CLEANING ALLOWANCE	1,331.25	-	1,331.25
780	INVENTORY - COST OF GOODS SOLD	(13,001.10)	-	(13,001.10)
	TOTAL SUPPLIES	<u>1,196,230.46</u>	<u>-</u>	<u>1,196,230.46</u>
814	COMPUTER SERVICES	64,202.15	-	64,202.15
818	CONTRACTUAL SERVICES	136,601.61	-	136,601.61
872	PROFESSIONAL DEVELOPMENT	60.00	-	60.00
875	MEMBERSHIPS	1,262.00	-	1,262.00
921	ELECTRICITY	1,460,483.58	-	1,460,483.58
923	GAS	477,516.94	-	477,516.94
928	TELEPHONE	26,220.98	-	26,220.98
930	MAINTENANCE REPAIR	287,337.24	-	287,337.24
943	EQUIPMENT RENTALS OR LEASE	89,063.20	-	89,063.20
947	VEHICLE RENTAL/CAR MILEAGE	2,084.44	-	2,084.44
959	REFUSE COLLECTION CHARGES	1,645.24	-	1,645.24
	TOTAL OTHER SERVICES & CHARGES	<u>2,546,477.38</u>	<u>-</u>	<u>2,546,477.38</u>
976	BLD. ADDITIONS/IMPROVEMENTS	4,385.00	-	4,385.00
982	EQUIPMENT	62,352.00	-	62,352.00
	TOTAL CAPITAL	<u>66,737.00</u>	<u>-</u>	<u>66,737.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 7,225,062.20</u>	<u>\$ 144,198.81</u>	<u>\$ 7,369,261.01</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2009
 RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 0430- TREASURER- CUSTOMER SERV'S

NO.	EXPENDITURE SUB-OBJECT DESCRIPTION	OPERATING EXPENSES	ADJUSTED COST FACTORS	ADJUSTED CURRENT ANNUAL EXPENSES
703	RETIREE HEALTH CARE	\$ 14,766.19	\$ 6,749.63	\$ 21,515.82
706	PERMANENT EMPLOYEES	135,447.91	6,162.88	141,610.79
707	TEMPORARY EMPLOYEES	11,962.32	544.29	12,506.61
710	ACT.ASSIGNMENT	155.79	7.09	162.88
715	EMPLOYERS SOCIAL SECURITY	11,249.67	511.86	11,761.53
719	HOSPITALIZATION INSURANCE	40,857.58	(335.03)	40,522.55
721	LONGEVITY PAY	1,761.23	-	1,761.23
722	RETIREMENT FUND CONTRIBUTION	11,084.00	5,619.59	16,703.59
725	STAFFING REVISIONS		1,422.24	1,422.24
	TOTAL PERSONAL SERVICES	<u>227,284.69</u>	<u>20,682.55</u>	<u>247,967.24</u>
728	SUPPLIES	4,495.06	-	4,495.06
	TOTAL SUPPLIES	<u>4,495.06</u>	<u>-</u>	<u>4,495.06</u>
814	COMPUTER SERVICES	32,465.70	-	32,465.70
818	CONTRACTUAL SERVICES	7,334.14	-	7,334.14
835	FEES	47,277.59	-	47,277.59
928	TELEPHONE	628.04	-	628.04
942	BUILDINGS RENTALS OR LEASE	6,762.31	-	6,762.31
947	VEHICLE RENTAL/CAR MILEAGE	2,589.00	-	2,589.00
	TOTAL OTHER SERVICES & CHARGES	<u>97,056.78</u>	<u>-</u>	<u>97,056.78</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 328,836.53</u>	<u>\$ 20,682.55</u>	<u>\$ 349,519.08</u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 26, 2009

TO: Linda Wagenmaker
Financial Analyst

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: 2009 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, 2009.

NON-INTEGRATED

4311- Administration	\$2,815,030
4312- Customer Services	5,692,945
4315- Engineering	1,241,516
4331- Field Operations	6,700,371

INTEGRATED

4342- Lake Mi. Filtration	7,225,062
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INTEGRATED & NON-INTEGRATED

4320- Coldbrook Control	1,400,475
4322- Coldbrook Distribution	2,526,316

Attached is the calculation of integrated and non-integrated adjusted expenses for Coldbrook Distribution (4322) for 2009.

LW

Attachment

wrs\wtask4 2009

ALLOCATION OF COLDBROOK PUMPING TO WATER PUMPING FACILITIES

STATION	ENERGY COST	PERCENT	EXPENDITURE ALLOCATION	
			ACTUAL	ADJUSTED
ALGER	\$ 55,500	4.70%	\$ 118,228	\$ 121,006
BOOSTER A	12,352	1.04%	26,313	26,931
BOOSTER D	53,066	4.47%	113,043	115,699
BRISTOL	20,310	1.71%	43,265	44,282
COLDBROOK	250,025	21.08%	532,614	545,124
COVELL	45,343	3.82%	96,591	98,861
EAST PARIS	138,678	11.69%	295,417	302,357
FRANKLIN	298,931	25.21%	636,794	651,755
LEFFINGWELL	43,696	3.68%	93,083	95,270
LIVINGSTON	145,837	12.30%	310,668	317,966
WILSON	53,448	4.51%	113,857	116,532
BURTON	35,744	3.01%	76,143	77,932
DEAN LAKE	33,001	2.78%	70,300	71,952
TOTAL	<u>\$ 1,185,931</u>	<u>100.00%</u>	<u>\$ 2,526,316</u>	<u>\$ 2,585,667</u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: December 1, 2009

TO: Mike Wolski
Utility Financial Officer

FROM: Scott Buhre 
Chief Financial Officer

SUBJECT: 2009 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.

Attachment

**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, 2009**

Sub-Object - 703

The factor to establish calendar year 2010 retiree health care cost is 45.71%. Increase total of fiscal year 2009's retiree health care (sub-object 703) by this percent to establish the cost for calendar year 2010.

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

The wage increase factor to translate FY2009 actual costs to estimated calendar 2010 will be 4.55%.

Sub-Object - 715

Increase FY2009 actual FICA expense by 4.55% to account for the effect of the wage increases.

Sub-Object - 719

Decrease FY2009 health insurance actual by 0.82% to reflect rate changes effective in FY2010.

Sub-Object - 722

Increase FY2009 actual expense by 50.7% to reflect the effect of a General Pension rate change increase from 8.2% to 13.62% and an estimated wage increase of 4.55%.

Sub-Object - 999

Administration - Adjust FY2009 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 16, 2009

TO: Michael Wolski
Utility Financial Officer

FROM: Joellen Thompson 
Water System Manager

SUBJECT: **2009 WATER RATE STUDY - TASK #5-KNOWN COST
INCREASES/DECREASES**

The only known cost increase to adjust actual FY09 operating costs is for consulting services for the contract with EMA, Inc. Specifically, for their services relative to Phase IV of the CIS project plan. The total estimated cost for that phase of project work is \$374,500. Based on our current estimated timeline, we anticipate expending approximately \$280,875 (75%) during calendar year 2010.

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

Cc: Jack VanOverloop

JT/MW

wrs\wtask5 2009

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 26, 2009

TO: Linda Wagenmaker
Financial Analyst

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: **2009 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, 2009, and volume comparisons for the past five (5) years by governmental unit and for the total system.

MW

Attachment

wrs\wtask6 2009

**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, 2009:

RETAIL:	SALES REVENUE			VOLUME BILLED
	A	B	C	(GALLONS)
CITY OF GRAND RAPIDS (1)	\$ 22,513,415.40		\$ 47,788.99	6,676,075,032
CITY OF WALKER	2,942,116.09			946,018,040
CITY OF KENTWOOD	3,817,256.10			1,189,269,884
CASCADE TOWNSHIP	2,919,114.41	38,920.00		650,370,292
GRAND RAPIDS TOWNSHIP	2,078,541.39			523,192,340
TALLMADGE TOWNSHIP	126,778.50	16,704.00		20,244,620
SUB-TOTAL RETAIL (2)	<u>\$ 34,397,221.89</u>	<u>\$ 55,624.00</u>	<u>\$ 47,788.99</u>	<u>10,005,170,208</u>
WHOLESALE:				
CITY OF E. GRAND RAPIDS	\$ 838,606.93			438,786,524
OTTAWA CO. (3)	1,110,033.88	1,536.00		680,543,116
ADA TOWNSHIP	1,260,950.15			523,081,636
SUB-TOTAL WHOLESALE	<u>\$ 3,209,590.96</u>	<u>\$ 1,536.00</u>	<u>\$ -</u>	<u>1,642,411,276</u>
TOTAL	<u>\$ 37,606,812.85</u>	<u>\$ 57,160.00</u>	<u>\$ 47,788.99</u>	<u>11,647,581,484</u>

REVENUE CLASSIFICATION:

A) 4311 - 642008 OTTAWA COUNTY WATER SALES	\$ 1,110,033.88
4311 - 642011 RETAIL METERED WATER SALES	34,340,865.82
4311 - 642012 E. GRAND RAPIDS WATER SALES	838,606.93
4311 - 642013 WYOMING WATER SALES	56,356.07
4311 - 642021 ADA WATER SALES	1,260,950.15
SUB-TOTAL	<u>\$ 37,606,812.85</u>
B) 4311 - 607048 FIRE HYDRANT BILLINGS	\$ 57,160.00
C) 4311 - 642024 UNMETERED WATER SALES	\$ 47,788.99
TOTAL	<u>\$ 37,711,761.84</u>

- (1) THE VOLUME & DOLLAR AMOUNT FOR THE CITY OF WYOMING ARE INCLUDED IN THE GRAND RAPIDS TOTALS.
- (2) A REVENUE ACCRUAL OF \$-275,884, -80,246,444 GALLONS HAS BEEN PRORATED TO ALL RETAIL CUSTOMER COMMUNITIES TO ACCRUE BILLINGS FROM THE LAST READING DATE THROUGH JUNE 30, 2009.
- (3) THE VOLUME EXCLUDES BILLINGS (23,112 HCF) FOR THE SUPPLEMENTAL AGREEMENT, DATED 5/13/2004 (aka, NOWS AGREEMENT), WITH OTTAWA FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009.

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
2009 RATE STUDY TASK NO. 6**

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

MUNICIPALITY	FY05		FY06		FY07		FY08		FY09		FY05 - FY09 % CHANGE
	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	
GRAND RAPIDS	7,412,265	6.08%	7,863,078	6.32%	7,366,098	-6.32%	7,444,641	1.07%	6,676,075	-10.32%	-9.93%
WALKER	1,082,569	0.04%	1,083,040	0.04%	1,032,301	-4.68%	1,069,867	3.64%	946,018	-11.58%	-12.61%
KENTWOOD	1,226,745	15.14%	1,412,532	15.14%	1,353,813	-4.16%	1,390,347	2.70%	1,189,270	-14.46%	-3.05%
CASCADE TWP	626,819	15.89%	726,395	15.89%	708,112	-2.52%	756,637	6.85%	650,371	-14.04%	3.76%
GRAND RAPIDS TWP	468,148	18.99%	557,041	18.99%	538,271	-3.37%	581,057	7.95%	523,192	-9.96%	11.76%
TALLMADGE TWP	13,623	33.97%	18,251	33.97%	17,033	-6.67%	19,512	14.55%	20,245	3.76%	48.61%
EAST GRAND RAPIDS	517,026	-4.75%	492,470	-4.75%	460,521	-6.49%	504,268	9.50%	438,786	-12.99%	-15.13%
OTTAWA COUNTY	676,916	15.08%	778,965	15.08%	716,087	-8.07%	737,951	3.05%	680,543	-7.78%	0.54%
ADA TWP	484,021	2.28%	495,043	2.28%	542,697	9.63%	556,923	2.62%	523,082	-6.08%	8.07%
TOTAL	12,508,132	7.34%	13,426,815	7.34%	12,734,933	-5.15%	13,061,203	2.56%	11,647,582	-10.82%	-6.88%

VOLUME PUMPED
% BILLED TO PUMPED

	14,713,000	85.0%	14,812,000	90.6%	14,705,000	86.6%	14,419,000	90.6%	13,172,000	88.4%
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GRAND RAPIDS VOLUME COMPARED TO
CUSTOMER COMMUNITIES

VOLUME = 1,000 GALLONS	FY05		FY06		FY07		FY08		FY09	
	% OF TOTAL	VOL BILLED	% OF TOTAL							
GRAND RAPIDS	59.26%	7,863,078	58.56%	7,366,098	57.84%	7,444,641	57.00%	6,676,075	57.32%	
CUSTOMER COMMUNITIES	40.74%	5,563,737	41.44%	5,368,835	42.16%	5,616,562	43.00%	4,971,507	42.68%	
TOTAL	100.00%	13,426,815	100.00%	12,734,933	100.00%	13,061,203	100.00%	11,647,582	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	\$ 7,560.00
4311-476010	PAVING PERMITS	-
4311-476012	TAPPING PERMITS	3,380.00
4311-607001	MISCELLANEOUS SERVICE FEES	(3,419.80)
4311-607027	INSPECTION FEES - UTILITIES	32,840.00
4311-607034	MONTHLY STATEMENT SERVICE FEES	205,450.81
4311-607043	PRELIM/DESIGN/CONSTR ENGINEERING	82,678.30
4311-607049	SERVICES FOR CONTRACTORS	50,065.66
4311-607052	METER SETTING FEES	10,815.00
4311-659002	PENALTY FINES *	-
		<u>\$ 389,369.97</u>

CREDIT: UNDERUTILIZATION OF PENALTY CREDIT FROM PREVIOUS YEAR	<u>\$ 423,617.00</u>
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OTHER OPERATING REVENUES NOT INCLUDED:

CAPITAL CONTRIBUTION & LAKELINE CREDIT

4311-607051	WATER FRONT FOOTAGE	\$ 126,645.05
4311-607053	INTEGRATED WATER CONNECTION	676,880.50
		<u>\$ 803,525.55</u>

OFFSETTING CREDIT TO CUSTOMER ACCOUNTING ACTIVITY EXPENSES:

4311-699001	BILLABLE EXPENSE - SEWAGE DISPOSAL SYSTEM *	<u>\$ 2,515,490.00</u>
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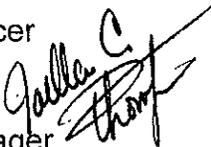
* Reflects adjustment for circuit breaker provisions per the third amendment to W/S service agreements.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 16, 2009

TO: Mike Wolski
Utility Financial Officer

FROM: Joellen Thompson 
Water System Manager

SUBJECT: 2009 WATER RATE STUDY- TASK #8

No significant changes in operating levels are anticipated to take effect by January 1, 2010, which would require adjustments to operating costs for the test period.

JTMW

wrs\wtask8 2009

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 16, 2009

TO: Mike Wolski
Utility Financial Officer

FROM: Joellen Thompson
Water System Manager 

SUBJECT: 2009 WATER RATE STUDY- TASK #9

No significant changes in water revenues are anticipated to take effect by January 1, 2010, which would require an adjustment to operating revenue estimates as a whole.

JTMW

wrs\wtask9 2009

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 19, 2009

TO: Mike Wolski
Utility Financial Officer

FROM: Joellen Thompson
Water System Manager



SUBJECT: 2009 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, 2010.

<u>Description</u>	<u>Location</u>	<u>Amount</u>
Bridgewater Place & Riverhouse Condos	Grand Rapids	\$229,900
Dean Lake Transmission WM	Grand Rapids/GR Twp	3,159,800
Alger Water Reservoir	Grand Rapids	822,700
Hastings & Lafayette	Grand Rapids	221,600
Chatham & Jackson, Straight, National	Grand Rapids	344,600
Ionia- Fulton/Fountain	Grand Rapids	144,800
Wilson-O'Brien/River Bend (S Walker W/M)	Walker	1,450,000
Jefferson Ave- Wealthy/Cherry	Grand Rapids	195,100
E Side CSO #14	Grand Rapids	101,300
Leonard- Nixon/Collindale	Grand Rapids	398,300
Breton- Burton/NCL	Grand Rapids	289,500
Cherry- Commerce/Division	Grand Rapids	88,200
Monroe Ave- Frank/Palmer	Grand Rapids	452,300

JTMW

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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, 2009"

INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 2,507,974	\$ -	\$ -
LAND IMPROVEMENTS	1,987,789	984,142	77,420
BUILDINGS & STRUCTURES	46,991,540	18,230,844	929,633
STORAGE	7,584,993	4,558,584	208,204
PROCESS EQUIPMENT	54,432,173	25,067,220	1,531,385
AUXILIARY EQUIPMENT	14,701,826	11,212,801	265,955
METERS	7,375,481	7,348,249	58,445
MACHINERY & EQUIPMENT	2,961,961	2,168,935	117,971
OFFICE EQUIPMENT & FURNITURE	622,184	622,184	299
WATERMAINS	55,592,968	14,332,734	741,240
	<u>\$ 194,758,889</u>	<u>\$ 84,525,693</u>	<u>\$ 3,930,552</u>

NON-INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 633,121	\$ -	\$ -
LAND IMPROVEMENTS	1,192,503	656,784	41,389
BUILDINGS & STRUCTURES	10,970,695	2,233,578	218,351
STORAGE	8,625,021	4,024,164	189,172
PROCESS EQUIPMENT	4,476,690	2,141,733	133,045
AUXILIARY EQUIPMENT	1,899,721	1,676,137	23,583
MACHINERY & EQUIPMENT	2,187,324	1,882,636	85,018
OFFICE EQUIPMENT & FURNITURE	533,805	365,450	27,938
WATERMAINS - GRAND RAPIDS	107,930,978	22,417,434	1,304,254
WATERMAINS - WALKER	18,987,808	5,229,456	253,000
WATERMAINS - KENTWOOD	24,404,488	5,700,163	323,316
WATERMAINS - CASCADE TWP	20,150,425	4,041,934	269,828
WATERMAINS - GRAND RAPIDS TWP	15,258,904	2,894,530	200,935
WATERMAINS - TALLMADGE TWP	2,014,737	199,238	26,866
	<u>\$ 219,266,220</u>	<u>\$ 53,463,237</u>	<u>\$ 3,096,695</u>
TOTAL	<u>\$ 414,025,109</u>	<u>\$137,988,930</u>	<u>\$ 7,027,247</u>

SOURCE: FINAL GENERAL LEDGER, AS ADJUSTED, FOR JUNE 30, 2009.

**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, 2009: \$2,256,467

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 = \$25,681,117 @ 90/365 = \$6,332,330

TOTAL WORKING CAPITAL NEEDS CONSIST OF THE FOLLOWING:

12A INVESTMENT IN INVENTORY	\$2,256,467
12B PREPAYMENT OF OPERATING EXPENSES	-
12C 90 DAY OPERATING EXPENSES	<u>6,332,330</u>
	<u>\$8,588,797</u>

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
ZONEGATED FACILITIES
TASK #13
October 22, 2009**

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 zonegating work papers are on file at the Coldbrook Complex and a revised map is on file at Oak Industrial Drive.

MW

wrslwtask13 2009

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 16, 2009

TO: Mike Wolski
Utility Financial Officer

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

SUBJECT: 2009 WATER RATE STUDY- TASK #14

Base maps and zonedating maps for the water rate study, adjusted and revised to reflect changes are presently being updated to reflect 2009 zonedating information. The water maps will be completely updated by the end of calendar year 2009.

WJ/MW

wrs\wtask14 2009

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER RATE STUDY
 WATER SUPPLY SYSTEM FUND
 TASK NO. 15**

COMPUTE CONSTRUCTION COST RATE BASE (DEPRECIATED PLANT, PLUS WORKING CAPITAL, LESS CONTRIBUTIONS BY OTHERS).

ORIGINAL CONSTRUCTION COST	- TASK #10	\$ 7,898,100	
	- TASK #11	414,025,109	
		<u> </u>	\$ 421,923,209
LESS: ACCUMULATED DEPRECIATION	- TASK #11	\$ 137,988,930	
	- TASK #10	<u> -</u>	<u>(137,988,930)</u>
			283,934,279
WORKING CAPITAL REQUIREMENT	- TASK #12	\$ 8,588,797	
		<u> </u>	<u>8,588,797</u>
			292,523,076
CONTRIBUTIONS BY OTHERS	- TASK #21	\$ 86,369,780	
LESS: AMORTIZATION		(22,842,360)	
		<u> </u>	<u>(63,527,420)</u>
CONSTRUCTION COST RATE BASE			<u><u>\$ 228,995,656</u></u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 27, 2009

TO: Eric R. DeLong
Deputy City Manager

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: **2009 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. 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. Following the prescribed methodology, ***the rates will remain the same for calendar year 2010.*** The Consumer Price Index used to determine rates effective January 1, 2010 is as follows:

August, 2009 Index	215.834
August, 2008 Index	219.086
Increase (decrease)	(3.252)
Percentage increase (decrease)	(1.48%)

LW

Attachment

wrs\wtask15a 2009

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>1/01/09</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 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	4,175,000
2	WILSON PUMP STATION IMPROVEMENTS	600,000
3	SOUTH WALKER WATERMAIN PHASE II	1,100,000
4	FOUR MILE ROAD WATER MAIN AND ELEVATED TANK	4,306,534
5	DEAN LAKE SERVICE CENTER EXPANSION	1,600,000
6	EAST PARIS PUMP STATION EXPANSION	3,800,000
7	CASCADE NORTH RIVER CROSSING	2,850,000
8	BURTON/EAST PARIS FACILITY	2,000,000
9	LIVINGSTON DISCHARGE LINE	5,870,000
		<u>\$ 26,301,534</u>

NOTE: NONE OF THE PROJECTS ABOVE ARE INCLUDED IN RECOMMENDED REVENUE REQUIREMENTS FOR CALENDAR YEAR 2010.

SOURCE: JOELLEN THOMPSON, WATER SYSTEM MANAGER
 OCTOBER 2009

**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
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	\$ 228,995,656
LESS: BONDED INDEBTEDNESS - TASK NO. 17	(128,223,589)
NET WATER SYSTEM EQUITY	<u>\$ 100,772,067</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>
09-Oct-08	5.470%	08-Apr-09	4.920%
16-Oct-08	6.010%	16-Apr-09	4.780%
23-Oct-08	5.320%	23-Apr-09	4.570%
30-Oct-08	5.350%	30-Apr-09	4.700%
06-Nov-08	5.240%	07-May-09	4.620%
13-Nov-08	5.140%	14-May-09	4.540%
20-Nov-08	5.130%	21-May-09	4.440%
25-Nov-08	5.390%	28-May-09	4.610%
04-Dec-08	5.580%	04-Jun-09	4.710%
11-Dec-08	5.850%	11-Jun-09	4.860%
18-Dec-08	5.460%	18-Jun-09	4.860%
23-Dec-08	5.330%	25-Jun-09	4.790%
31-Dec-08	5.240%	01-Jul-09	4.810%
08-Jan-09	5.020%	09-Jul-09	4.710%
15-Jan-09	4.800%	16-Jul-09	4.680%
22-Jan-09	5.130%	23-Jul-09	4.690%
29-Jan-09	5.160%	30-Jul-09	4.690%
05-Feb-09	4.960%	06-Aug-09	4.650%
12-Feb-09	4.890%	13-Aug-09	4.650%
19-Feb-09	4.890%	20-Aug-09	4.580%
26-Feb-09	4.870%	27-Aug-09	4.530%
05-Mar-09	4.960%	03-Sep-09	4.370%
12-Mar-09	5.030%	10-Sep-09	4.330%
19-Mar-09	4.980%	17-Sep-09	4.200%
26-Mar-09	5.000%	24-Sep-09	4.040%
02-Apr-09	4.920%	01-Oct-09	3.940%
		<u>52 WEEKS</u>	<u>4.892%</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	\$ 100,772,067	@ 5.892%	= \$ 5,937,490
WATER SYSTEM INDEBTEDNESS IN THE			
CCR BASE -1993 Bonds (<i>Fixed Rate Conversion</i>)	31,000,000	@ 5.330%	= 1,652,300
-2000 Bonds	56,605,000	@ 5.285%	= 2,991,574
-2005 Bonds	33,100,000	@ 4.850%	= 1,605,350
-2009 Bonds (Amt in CCRB)	7,518,589	@ 4.980%	= 374,426
LESS: INTEREST EARNED DURING THE TEST PERIOD ON BOND RESERVE AND REPLACEMENT ACCOUNTS			(50,734)
	\$ 228,995,656		\$ 12,510,406
COMPOSITE RATE OF RETURN ON INVESTMENT		\$ 12,510,406 228,995,656	= 5.463%

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, 2009

PHYSICAL LOCATION

DESCRIPTION	RETAIL						WHOLESALE			TOTAL	
	INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	EAST GR	CITY OF OTTAWA		ADA TOWNSHIP
COST	\$ 194,758,889	\$ 128,256,375	\$ 20,815,202	\$ 22,664,955	\$ 20,145,556	\$ 15,020,118	\$ 2,014,737	\$ -	\$ -	\$ -	\$ 403,675,882
LESS: ACCUMULATED DEPRECIATION	84,525,693	31,433,690	5,318,400	6,282,359	4,040,895	2,641,358	199,238	-	-	-	134,441,633
NET BOOK VALUE	\$ 110,233,196	\$ 96,822,685	\$ 15,496,802	\$ 16,382,596	\$ 16,104,661	\$ 12,378,760	\$ 1,815,499	\$ -	\$ -	\$ -	\$ 269,234,199
WORKING CAPITAL REQUIREMENT	3,789,979	3,159,131	420,593	486,985	370,091	272,952	19,754	26,110	-	43,202	8,588,797
	\$ 114,023,175	\$ 99,981,816	\$ 15,917,395	\$ 16,869,581	\$ 16,474,752	\$ 12,651,712	\$ 1,835,253	\$ 26,110	\$ -	\$ 43,202	\$ 277,822,996
CONTRIBUTIONS	-	23,785,435	16,320,351	16,483,375	16,208,801	11,505,815	2,014,737	-	-	-	86,318,514
LESS AMORTIZATION	-	(9,108,329)	(4,086,078)	(3,580,482)	(3,530,274)	(2,285,459)	(203,791)	-	-	-	(22,794,413)
	\$ -	\$ (14,677,106)	\$ (12,234,273)	\$ (12,902,893)	\$ (12,678,527)	\$ (9,220,366)	\$ (1,810,946)	\$ -	\$ -	\$ -	\$ (63,524,101)
CONSTRUCTION COST RATE BASE	\$ 114,023,175	\$ 85,304,710	\$ 3,683,122	\$ 3,966,688	\$ 3,796,225	\$ 3,431,366	\$ 24,307	\$ 26,110	\$ -	\$ 43,202	\$ 214,298,895
RETURN ON INVESTMENT- TASK 20	\$ 6,229,086	\$ 4,660,196	\$ 201,209	\$ 216,700	\$ 207,388	\$ 187,455	\$ 1,328	\$ 1,426	\$ -	\$ 2,360	\$ 11,707,148
	5.463%	5.463%									

ZONEGATED

COST	\$ -	\$ (4,670,048)	\$ 606,178	\$ 5,958,170	\$ 7,261,351	\$ 3,538,246	\$ 178,186	\$ 1,370,067	\$ -	\$ 4,005,227	\$ 18,247,377
LESS: ACCUMULATED DEPRECIATION	-	(2,076,361)	423,161	920,725	2,085,079	946,515	74,314	257,522	-	916,342	3,547,297
NET BOOK VALUE	\$ -	\$ (2,593,687)	\$ 183,017	\$ 5,037,445	\$ 5,176,272	\$ 2,591,731	\$ 103,872	\$ 1,112,545	\$ -	\$ 3,088,885	\$ 14,700,080
WORKING CAPITAL REQUIREMENT	-	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ (2,593,687)	\$ 183,017	\$ 5,037,445	\$ 5,176,272	\$ 2,591,731	\$ 103,872	\$ 1,112,545	\$ -	\$ 3,088,885	\$ 14,700,080
CONTRIBUTIONS	-	-	-	13,097	3,582	23,068	-	-	-	11,519	51,266
LESS AMORTIZATION	-	-	-	(12,249)	(3,351)	(21,574)	-	-	-	(10,773)	(47,947)
	\$ -	\$ -	\$ -	\$ (848)	\$ (231)	\$ (1,494)	\$ -	\$ -	\$ -	\$ (746)	\$ (3,319)
CONSTRUCTION COST RATE BASE	\$ -	\$ (2,593,687)	\$ 183,017	\$ 5,036,597	\$ 5,176,041	\$ 2,590,237	\$ 103,872	\$ 1,112,545	\$ -	\$ 3,088,139	\$ 14,696,761
RETURN ON INVESTMENT- TASK 19/20	\$ -	\$ (282,504)	\$ 19,934	\$ 548,586	\$ 563,774	\$ 282,129	\$ 11,314	\$ 121,178	\$ -	\$ 336,360	\$ 1,600,771
	10.892%	10.892%	10.892%	10.892%	10.892%	10.892%	10.892%	10.892%		10.892%	
RETURN ON INVESTMENT- TASK 19/20	10.892%	10.892%	10.892%	10.892%	10.892%	10.892%	10.892%	10.892%	5.463%	10.892%	
TOTAL RETURN ON INVESTMENT	\$ 6,229,086	\$ 4,377,692	\$ 221,143	\$ 765,286	\$ 771,162	\$ 469,584	\$ 12,642	\$ 122,604	\$ -	\$ 338,720	\$ 13,307,919
	5.463%	5.463%									

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
CONSTRUCTION COST & ACCUMULATED DEPRECIATION- TASK NO. 21- PART 2
FISCAL YEAR ENDED JUNE 30, 2009**

CONSTRUCTION COST

COST CENTER	AMOUNT	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	
BY PHYSICAL LOCATION- TASK 11		\$ 194,758,889	\$ 136,126,356	\$ 19,600,508	\$ 26,115,290	\$ 20,150,425	\$ 15,258,904	\$ 2,014,737	\$ -	\$ -	\$ -	\$ 414,025,109
IN SERVICE- TASK 10		-	5,168,564	1,450,000	-	-	1,289,536	-	-	-	-	7,898,100
PUMPING STATIONS:												
KNAPP SERVICE CENTER	\$ 2,416,086		(1,074,240)	-	274,443	75,068	483,362	-	-	241,367	-	-
LIVINGSTON	1,952,850		(336,436)	-	86,062	23,395	151,404	-	-	75,575	-	-
FRANKLIN	6,949,487		(3,832,573)	-	1,454,180	851,729	365,196	613,084	-	548,384	-	-
LEFFINGWELL	141,009		(62,695)	-	16,017	4,381	28,210	-	-	14,087	-	-
BRISTOL	612,700		-	-	-	-	-	-	-	-	-	-
EAST PARIS	1,710,802		-	-	(864,092)	864,092	-	-	-	-	-	-
STORAGE TANKS:												
ELKS	236,335		(180,773)	175,011	-	-	-	5,762	-	-	-	-
KNAPP	118,570		(20,427)	-	5,225	1,420	9,193	-	-	4,589	-	-
CAMBRIDGE	116,070		(87,521)	-	70,860	6,464	-	10,197	-	-	-	-
WATERMANS			(12,103,928)	195,861	1,465,140	5,429,933	972,559	172,424	746,786	3,121,225	-	-
ADJUSTED BY ZONEGATING		\$ 194,758,889	\$ 123,586,327	\$ 21,421,380	\$ 28,623,125	\$ 27,406,907	\$ 18,558,364	\$ 2,192,923	\$ 1,370,087	\$ 4,005,227	\$ 421,923,209	
LESS: ZONEGATING ADJUSTMENT		\$ -	\$ (4,670,048)	\$ 606,178	\$ 5,958,170	\$ 7,261,351	\$ 3,538,246	\$ 178,186	\$ 1,370,087	\$ 4,005,227	\$ 18,247,377	
PHYSICAL LOCATION		\$ 194,758,889	\$ 128,256,375	\$ 20,815,202	\$ 22,684,955	\$ 20,145,556	\$ 15,020,118	\$ 2,014,737	\$ -	\$ -	\$ 403,675,832	

ACCUMULATED DEPRECIATION

BY PHYSICAL LOCATION- TASK 11		\$ 84,525,693	\$ 33,785,535	\$ 5,419,890	\$ 7,122,110	\$ 4,041,934	\$ 2,894,530	\$ 199,238	\$ -	\$ -	\$ 137,988,930	
IN SERVICE- TASK 10		-	-	-	-	-	-	-	-	-	-	
PUMPING STATIONS:												
KNAPP SERVICE CENTER	\$ 1,654,176		(735,479)	-	187,898	51,395	330,934	-	-	166,252	-	-
LIVINGSTON	616,089		(106,140)	-	27,151	7,381	47,765	-	-	23,843	-	-
FRANKLIN	1,821,815		(1,004,713)	-	381,215	223,282	95,736	160,721	-	143,759	-	-
LEFFINGWELL	131,928		(68,659)	-	14,986	4,099	26,394	-	-	13,180	-	-
BRISTOL	190,434		-	-	-	-	-	-	-	-	-	-
EAST PARIS	1,421,947		-	-	(718,197)	718,197	-	-	-	-	-	-
STORAGE TANKS:												
ELKS	236,335		(180,773)	175,011	-	-	-	5,762	-	-	-	-
KNAPP	116,070		(19,997)	-	5,115	1,391	8,999	-	-	4,492	-	-
CAMBRIDGE	116,070		(87,521)	-	70,860	6,464	-	10,197	-	-	-	-
WATERMANS			(2,234,924)	146,660	111,946	1,071,831	183,515	68,552	86,604	565,816	-	-
ADJUSTED BY ZONEGATING		\$ 84,525,693	\$ 29,357,329	\$ 5,741,561	\$ 7,203,084	\$ 6,125,974	\$ 3,587,873	\$ 273,552	\$ 257,522	\$ 916,342	\$ 137,988,930	
LESS: ZONEGATING ADJUSTMENT		\$ -	\$ (2,076,361)	\$ 423,161	\$ 920,725	\$ 2,085,079	\$ 946,515	\$ 74,314	\$ 257,522	\$ 916,342	\$ 3,547,297	
PHYSICAL LOCATION		\$ 84,525,693	\$ 31,433,690	\$ 5,318,400	\$ 6,282,359	\$ 4,040,895	\$ 2,641,358	\$ 199,238	\$ -	\$ -	\$ 134,441,633	

CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 CONTRIBUTIONS & AMORTIZED CONTRIBUTIONS- TASK NO. 21- PART 3
 FISCAL YEAR ENDED JUNE 30, 2009

CONTRIBUTIONS BY OTHERS

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
2008 RATE STUDY- LOCATION ADDITIONS:		\$ 23,707,242	\$ 16,299,388	\$ 16,161,421	\$ 16,166,384	\$ 11,233,846	\$ 2,015,134	\$ -	\$ -	\$ -	\$ 85,603,415
FRONT FOOT FEES		86,388	(4,200)	8,629	13,150	22,678	-	-	-	-	126,645
FIXED ASSET CONTRIBUTIONS		(6,195)	25,163	313,325	9,267	249,291	(397)	-	-	-	588,454
PUMPING STATIONS: LEFFINGWELL	\$ 115,303	23,785,435	16,320,351	16,483,375	16,208,801	11,505,815	2,014,737	-	-	-	86,318,514
ADJUSTED BY ZONEGATING				13,097	3,582	23,068	-	-	-	11,519	
LESS: ZONEGATING ADJUSTMENT		23,785,435	16,320,351	16,496,472	16,212,383	11,528,883	2,014,737	-	-	11,519	86,318,514
PHYSICAL LOCATION				13,097	3,582	23,068	-	-	-	11,519	
		23,785,435	16,320,351	16,483,375	16,208,801	11,505,815	2,014,737	-	-	-	86,318,514
AMORTIZED CONTRIBUTIONS											
2008 RATE STUDY- LOCATION CURRENT YEAR ADJUSTMENTS		\$ 8,337,078	\$ 3,864,775	\$ 3,360,311	\$ 3,312,935	\$ 2,131,682	\$ 176,925	\$ -	\$ -	\$ -	\$ 21,183,716
PUMPING STATIONS: LEFFINGWELL	107,838	771,251	221,303	220,171	217,339	153,767	26,866	-	-	-	1,610,697
ADJUSTED BY ZONEGATING		9,108,329	4,086,078	3,580,482	3,530,274	2,285,459	203,791	-	-	-	22,794,413
LESS: ZONEGATING ADJUSTMENT				12,249	3,351	21,574	-	-	-	10,773	
PHYSICAL LOCATION				3,592,731	3,533,625	2,307,033	203,791	-	-	10,773	22,794,413
		9,108,329	4,086,078	12,249	3,351	21,574	-	-	-	10,773	
		9,108,329	4,086,078	3,580,482	3,530,274	2,285,459	203,791	-	-	-	22,794,413

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
RECONCILIATION OF CONSTRUCTION COST & ACCUMULATED DEPRECIATION- PHYSICAL LOCATION & ZONEGATING
FISCAL YEAR ENDED JUNE 30, 2009**

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		\$ 136,449,856	\$ 18,987,808	\$ 24,404,488	\$ 20,150,425	\$ 15,258,904	\$ 2,014,737	\$ -	\$ -	\$ -	\$ 414,025,109
BRISTOL		5,158,564	1,450,000	-	-	1,289,536	-	-	-	-	7,898,100
EAST PARIS		(612,700)	612,700	-	-	-	-	-	-	-	-
WATERMAINS		(1,710,802)	1,710,802	-	-	-	-	-	-	-	-
LESS: WATERMAINS-TOTAL SUBS-HOME COMM		(20,122,331)	(725,425)	(6,451,824)	(6,200)	(2,093,489)	-	-	-	-	(29,399,269)
ADD: WATERMAINS-TOTAL ADDS-HOME COMM		7,993,785	490,119	3,001,489	1,331	565,167	-	-	-	-	11,151,891
TOTAL-PHYSICAL LOCATION COST		\$ 128,256,374	\$ 20,815,202	\$ 22,864,955	\$ 20,145,556	\$ 15,020,118	\$ 2,014,737	\$ -	\$ -	\$ -	\$ 403,675,831

CONSTRUCTION COST- ZONEGATING

PUMPING STATIONS:											
KNAPP SERVICE CENTER	\$ 2,416,086	\$ (1,074,240)	\$ -	\$ 274,443	\$ 75,068	\$ 483,362	\$ -	\$ -	\$ -	\$ 241,367	\$ -
LIVINGSTON	1,952,850	(336,436)	-	86,062	23,395	151,404	-	-	-	75,575	-
FRANKLIN	6,949,487	(3,832,573)	-	1,454,180	861,729	365,196	-	613,084	-	548,384	-
LEFFINGWELL	141,009	(62,695)	-	16,017	4,381	28,210	-	-	-	14,087	-
BRISTOL	612,700	-	-	-	-	-	-	-	-	-	-
EAST PARIS	1,710,802	-	-	(864,092)	864,092	-	-	-	-	-	-
STORAGE TANKS:											
ELKS	236,335	(180,773)	175,011	-	-	-	5,762	-	-	-	-
KNAPP	118,570	(20,427)	-	5,225	1,420	9,193	-	-	-	4,589	-
CAMBRIDGE	116,070	(87,521)	-	70,860	6,464	-	-	10,197	-	-	-
WATERMAINS- ZONEGATED COST											
TOTAL- ZONEGATED COST	\$ -	\$ (4,670,048)	\$ 606,178	\$ 5,958,170	\$ 7,261,351	\$ 3,538,246	\$ 172,424	\$ 746,786	\$ -	\$ 3,121,225	\$ 18,247,377
GRAND TOTAL- COST	\$ 194,758,889	\$ 123,586,326	\$ 21,421,380	\$ 28,623,125	\$ 27,406,907	\$ 18,558,364	\$ 2,192,923	\$ 1,370,067	\$ -	\$ 4,005,227	\$ 471,923,208

ACCUMULATED DEPRECIATION-BY PHYSICAL LOCATION

ACC DEPREC BY PHYSICAL LOCATION- TASK 11											
BRISTOL	\$ 84,525,693	\$ 35,397,916	\$ 5,229,456	\$ 5,700,163	\$ 4,041,934	\$ 2,894,530	\$ 199,238	\$ -	\$ -	\$ -	\$ 137,988,930
EAST PARIS		(190,434)	190,434	-	-	-	-	-	-	-	-
WATERMAINS		(1,421,947)	1,421,947	-	-	-	-	-	-	-	-
LESS: WATERMAINS-TOTAL SUBS-HOME COMM		(3,679,382)	(338,114)	(1,607,351)	(1,323)	(988,492)	-	-	-	-	(6,024,662)
ADD: WATERMAINS-TOTAL ADDS-HOME COMM		1,327,537	236,624	767,600	284	145,320	-	-	-	-	2,477,365
TOTAL-PHYSICAL LOCATION ACC DEP	\$ 84,525,693	\$ 31,433,690	\$ 5,318,400	\$ 6,282,359	\$ 4,040,895	\$ 2,641,358	\$ 199,238	\$ -	\$ -	\$ -	\$ 134,441,633

ACCUMULATED DEPRECIATION-ZONEGATING

PUMPING STATIONS:											
KNAPP SERVICE CENTER	\$ 1,654,176	\$ (735,479)	\$ -	\$ 187,898	\$ 51,395	\$ 330,934	\$ -	\$ -	\$ -	\$ 165,252	\$ -
LIVINGSTON	616,089	(106,140)	-	27,151	7,381	47,765	-	-	-	23,943	-
FRANKLIN	1,821,815	(1,004,713)	-	381,215	223,282	95,736	-	160,721	-	143,759	-
LEFFINGWELL	131,928	(56,659)	-	14,986	4,099	26,394	-	-	-	13,180	-
BRISTOL	190,434	-	-	-	-	-	-	-	-	-	-
EAST PARIS	1,421,947	-	-	(718,197)	718,197	-	-	-	-	-	-
STORAGE TANKS:											
ELKS	236,335	(180,773)	175,011	-	-	-	5,762	-	-	-	-
KNAPP	116,070	(19,997)	-	5,115	1,391	8,999	-	-	-	4,492	-
CAMBRIDGE	116,070	(87,521)	-	70,860	6,464	-	-	10,197	-	-	-
WATERMAINS- ZONEGATED ACC DEP											
TOTAL- ZONEGATED ACC DEP	\$ -	\$ (2,076,361)	\$ 248,150	\$ 951,697	\$ 1,072,870	\$ 436,687	\$ 68,552	\$ 86,604	\$ -	\$ 565,816	\$ 3,547,297
GRAND TOTAL- ACC DEP	\$ 84,525,693	\$ 29,357,329	\$ 5,741,561	\$ 7,203,084	\$ 6,125,974	\$ 3,587,873	\$ 273,552	\$ 257,522	\$ -	\$ 916,342	\$ 137,988,930

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED OPERATING EXPENSE ZONEGATED BY GOVERNMENTAL UNIT - TASK #22
FISCAL YEAR ENDED JUNE 30, 2009**

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	\$ 7,369,261	\$ 7,369,261											
PUMPING STATIONS:													
A. PRIMARY TRANSPORT	2,111,723	2,111,723	1,016,621	38,532	319,031	241,598	92,357	57,498	-	-	-	-	80,440
B. INTERMEDIATE TRANSPORT	1,846,077												
WATERMAINS:													
A. PRIMARY TRANSPORT	339,116		178,001	33,091	56,982	36,272	13,768	753	7,695	-	-	-	12,554
B. INTERMEDIATE TRANSPORT	1,898,726		628,188	349,768	296,377	252,227	129,358	27,706	119	-	-	-	14,983
C. LOCAL DISTRIBUTION	4,657,438		3,445,294	356,806	316,426	249,359	275,674	13,879	-	-	-	-	-
RETAIL CUSTOMER METERING *	3,462,711		2,634,500	273,831	229,439	146,265	171,681	6,995	-	-	-	-	-
SUBTOTAL OPERATING EXPENSE	21,485,052	9,480,984	7,902,604	1,052,028	1,218,255	925,721	682,838	49,333	65,312	-	-	-	107,977
ENGINEERING SERVICES	1,154,029	509,239	424,475	56,513	65,433	49,727	36,675	2,664	3,508	-	-	-	5,805
ADMINISTRATIVE EXPENSE	3,042,036	1,330,577	1,126,527	150,569	173,579	131,861	97,504	7,089	9,167	-	-	-	15,167
TOTAL	\$ 25,681,117	\$ 11,320,800	\$ 9,453,606	\$ 1,259,110	\$ 1,457,267	\$ 1,107,309	\$ 817,017	\$ 59,072	\$ 77,987	\$ -	\$ -	\$ -	\$ 128,949

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

METHOD OF DISTRIBUTION

FILTRATION PLANTS	100.00%	100.00%												
PUMPING STATIONS														
A. PRIMARY TRANSPORT	100.00%	100.00%												
B. INTERMEDIATE TRANSPORT	100.00%	100.00%	55.069%	2.087%	17.282%	13.087%	5.003%	3.115%					4.357%	
MEMO														
WATERMAINS														
TOTAL MILES:	1,157.33													
A. PRIMARY TRANSPORT			52.490%	9.758%	16.803%	10.696%	4.060%	2.269%	0.222%				3.702%	
MILES	56.62		30.77	5.72	9.85	6.27	2.38	1.33	0.13				2.17	
B. INTERMEDIATE TRANSPORT			36.980%	20.590%	17.447%	14.848%	7.615%	0.007%	1.631%				0.882%	
MILES	283.64		108.59	60.46	51.23	43.60	22.36	4.79	4.79				2.59	
C. LOCAL DISTRIBUTION			73.974%	7.661%	6.794%	5.354%	5.919%	0.298%	0.298%				-	
MILES	805.07		595.54	61.68	54.70	43.10	47.65	2.40	2.40				-	
RETAIL CUSTOMER METERING (1)			76.082%	7.908%	6.626%	4.224%	4.958%	0.202%	0.202%				-	
NUMBER OF METERS	80,129.00		60,983.00	6,337.00	5,309.00	3,385.00	3,973.00	162.00	162.00				-	
ENGINEERING SERVICES (2)			36.782%	4.897%	5.670%	4.309%	3.178%	0.230%	0.230%				0.503%	
ADMINISTRATIVE EXPENSE (3)			37.032%	4.950%	5.706%	4.335%	3.205%	0.301%	0.301%				0.499%	

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	\$ 22,513,415	65.4511%	\$ 532,109
CITY OF WALKER	2,942,116	8.5534%	69,538
CITY OF KENTWOOD	3,817,256	11.0976%	90,222
CASCADE TOWNSHIP	2,919,114	8.4865%	68,994
GRAND RAPIDS TOWNSHIP	2,078,541	6.0428%	49,127
TALLMADGE TOWNSHIP	126,779	0.3686%	2,997
	<u>\$ 34,397,221</u>	<u>100.0000%</u>	<u>\$ 812,987</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, 2009

COST CENTER BY PHYSICAL LOCATION- TASK 11 IN SERVICE- TASK 10	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	TOTAL	
		\$ 3,930,552	\$ 1,973,007	\$ 268,870	\$ 357,189	\$ 269,828	\$ 200,935	\$ 26,866	\$ -	\$ -	\$ -	\$ -	\$ 7,027,247
			81,319	19,333	-	-	17,194	-	-	-	-	-	117,846
PUMPING STATIONS:													
KNAPP SERVICE CENTER	\$ 50,043		(22,250)	-	5,684	1,555	10,012	-	-	-	-	4,999	-
LIVINGSTON	42,634		(7,345)	-	1,879	511	3,305	-	-	-	-	1,650	-
FRANKLIN	208,505		(114,988)	-	43,630	25,554	10,957	-	18,394	-	-	16,453	-
LEFFINGWELL	908		(404)	-	103	28	182	-	-	-	-	91	-
BRISTOL	15,870		-	-	-	-	-	-	-	-	-	-	-
EAST PARIS	33,873		-	-	(17,109)	17,109	-	-	-	-	-	-	-
STORAGE TANKS:													
ELKS	-		-	-	-	-	-	-	-	-	-	-	-
KNAPP	-		-	-	-	-	-	-	-	-	-	-	-
CAMBRIDGE	-		-	-	-	-	-	-	-	-	-	-	-
WATERMAINS													
			(160,973)	2,611	19,350	72,382	12,967	2,299	9,748	-	-	41,616	-
		3,930,552	1,748,366	290,814	410,726	386,967	255,552	29,165	28,142	-	-	64,809	7,145,093
ADJUSTED BY ZONEGATING LESS CONTRIBUTIONS AMORTIZED													
TASK NO. 21			(771,251)	(221,303)	(220,171)	(217,339)	(153,767)	(26,866)	-	-	-	-	(1,610,697)
TOTAL		\$ 3,930,552	\$ 977,115	\$ 69,511	\$ 190,555	\$ 169,628	\$ 101,785	\$ 2,299	\$ 28,142	\$ -	\$ -	\$ 64,809	\$ 5,534,396

CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ACCUMULATE REVENUE REQUIREMENTS BY CUSTOMER COMMUNITIES- TASK NO. 25
 FISCAL YEAR ENDED JUNE 30, 2009

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	\$ 11,320,800	\$ 1,259,110	\$ 1,457,267	\$ 1,107,309	\$ 817,017	\$ 59,072	\$ 77,987	\$ -	\$ 128,949	\$ 25,681,117				
DEPRECIATION EXPENSE	3,930,552	69,511	190,555	169,628	101,785	2,299	28,142	-	64,809	5,534,396				
TASK NO. 24	6,229,086	221,143	765,286	771,162	469,584	12,642	122,604	-	338,720	13,307,919				
RETURN ON SYSTEM INVESTMENT	-	(69,538)	(90,222)	(68,994)	(49,127)	(2,997)	-	-	-	(812,987)				
TASK NO. 21	-	(386,027)	(72,902)	(50,952)	(37,843)	(2,781)	(25,644)	-	(32,760)	(676,881)				
REVENUE CREDITS- TASK NO. 23	(21,480,438)	11,557,616	2,182,657	1,525,478	1,132,994	83,255	767,760	1,214,776	980,831	-				
ALLOCATE:														
INTEG CONN. FEE CREDIT (A)		(62,838)	-	-	(30,974)	-	-	-	-	(93,812)				
INTEGRATED SYSTEM (A)		\$ 3,384,487	\$ 4,432,841	\$ 3,453,631	\$ 2,403,436	\$ 151,490	\$ 970,849	\$ 1,214,776	\$ 1,480,549	\$ 42,939,752				
LESS: CIRCUIT BREAKER (B)		\$ 25,447,893	\$ 4,432,841	\$ 3,453,631	\$ 2,403,436	\$ 151,490	\$ 970,849	\$ 1,214,776	\$ 1,480,549	\$ 42,939,752				

(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 <u>6/30/09</u>	<u>PRO FORMA *</u>
REVENUES:		
RETAIL/WHOLESALE WATER SALES	\$ 37,606,813	\$ 40,038,497
CONNECTION FEES/FRONT FOOT FEES	803,526	803,526
BILLABLE TO SDS FUND	1,863,011	2,010,205
ENGINEERING FEES	82,678	82,678
OTHER OPERATING REVENUES	1,635,803	1,635,803
INTEREST ON INVESTMENTS	652,059	652,059
MISCELLANEOUS	647,642	647,642
TOTAL REVENUES	<u>\$ 43,291,532</u>	<u>\$ 45,870,410</u>
OPERATING EXPENSES:		
OPERATIONS & MAINTENANCE	\$ 27,601,715	\$ 27,877,732
DEPRECIATION	7,027,247	7,027,247
TOTAL EXPENSES	<u>\$ 34,628,962</u>	<u>\$ 34,904,979</u>
ADDITIONS: DEPRECIATION	<u>7,027,247</u>	<u>7,027,247</u>
NET EARNINGS OF THE SYSTEM	<u>\$ 15,689,817</u>	<u>\$ 17,992,678</u>
DEBT SERVICE (CASH BASIS)		
SERIES 1993 BONDS	\$ 2,778,164	\$ 3,267,850
SERIES 2000 BONDS	8,182,000	8,167,000
SERIES 2005 BONDS	2,273,006	2,274,206
SERIES 2009 BONDS	-	929,190
	<u>\$ 13,233,170</u>	<u>\$ 14,638,246</u>
COVERAGE RATIO	<u>1.19</u>	<u>1.23</u>

* METERED SALES ADJUSTED FOR RATE REVISIONS OF 2.45% AND 9.89% EFFECTIVE 1/1/09 AND 1/1/10, RESPECTIVELY.

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SUMMARY

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

INITIAL SYSTEM REVENUE REQUIREMENTS \$ 43,033,564

CURRENT REVENUES

MONTHLY METER CHARGE	\$ 10,485,748	
MONTHLY BILLING CHARGE	3,437,033	
COMMODITY CHARGE	24,649,828	
MONTHLY FIRE PROTECTION	445,344	
ANNUAL HYDRANT CHARGE	55,624	(39,073,577)

INITIAL REQUIRED REVENUE INCREASE (DECREASE) \$ 3,959,987

INITIAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 10.13%

INITIAL SYSTEM REVENUE REQUIREMENTS FROM ABOVE \$ 43,033,564

LESS: AMOUNT OF CIRCUIT BREAKER RELIEF TO REDUCE RR's TO RETAIL (93,812)

SYSTEM REVENUE REQUIREMENTS \$ 42,939,752

ACTUAL REQUIRED AMOUNT OF REVENUE INCREASE (DECREASE) \$ 3,866,175

ACTUAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 9.89%

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

METER SIZE	EQUIV. FACTOR	CITY OF GR METERS	CITY OF WALKER METERS	CITY OF KENTWOOD METERS	CASCADE TWP METERS	GR TWP METERS	TALLMADGE TWP METERS
		EQUIV.	EQUIV.	EQUIV.	EQUIV.	EQUIV.	EQUIV.
A 3/4" or less	1.0000	54,603	5,162	3,398	2,385	3,377	104
B 1"	1.7778	2,614	468	641	326	302	19
C 1 1/4"	2.7778	-	-	-	-	-	-
D 1 1/2"	4.0000	1,124	205	396	240	106	4
E 2"	7.1111	994	104	197	105	48	2
F 3"	16.0000	88	10	20	8	7	2
G 4"	28.4444	87	8	15	2	3	1
H 6" and over	64.0000	22	2	3	-	-	-
		59,532	5,959	4,670	3,066	3,843	132
		76,105	8,070	8,462	4,857	4,876	228

FIRE PROTECTION SERVICE

H 6"	1,095	262	338	166	108	25	
I 8"	298	89	265	126	21	2	
J 10"	16	6	9	2	-	-	
K 12"	22	21	27	25	1	3	
	1,431	378	639	319	130	30	
TOTAL	60,963	6,337	5,309	3,385	3,973	162	
TOTAL							80,129

Source: Water/Sewage Meter/User Quantity Report, dated October 26, 2009.

CITY OF GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS \$ 25,447,893

CURRENT REVENUES

MONTHLY METER CHARGE

76,105 meter equivalents x \$ 6.63 x 12 = \$ 6,054,914

MONTHLY BILLING CHARGE

59,532 meters x \$ 3.71 x 12 = 2,650,365

COMMODITY CHARGE

8,925,234 units (100 CF) x \$ 1.60 = 14,280,374

MONTHLY FIRE PROTECTION

202,728

ANNUAL HYDRANT CHARGE

- (23,188,381)

REQUIRED REVENUE INCREASE (DECREASE)

\$ 2,259,512

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES

9.74%

CITY OF GRAND RAPIDS, MICHIGAN

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

COMMODITY CHARGE:

$$\frac{\text{COMMODITY CHARGE @ 64\%}}{\text{BILLED UNITS}} = \frac{\$16,286,652}{8,925,234} = \underline{\underline{\$ 1.82 /100 CF *}}$$

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS	\$ 25,447,893
NEW COMMODITY CHARGE 8,925,234 x \$ 1.82	\$ 16,243,926
NEW MONTHLY BILLING CHARGE 59,532 x \$ 3.74 x 12	2,671,796
MONTHLY FIRE PROTECTION CHARGE	202,728
ANNUAL HYDRANT CHARGE	- (19,118,450)
	<u>\$ 6,329,443</u>

$$\text{MONTHLY METER CHARGE} = \frac{\$6,329,443}{76,105 \times 12} = \underline{\underline{\$ 6.93 \text{ MONTHLY}}}$$

<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	\$ 6.93	\$ 3.74	\$ 10.67	\$ 10.34
1"	1.7778	12.32	3.74	16.06	15.50
1 1/4"	2.7778	19.25	3.74	22.99	22.13
1 1/2"	4.0000	27.72	3.74	31.46	30.23
2"	7.1111	49.28	3.74	53.02	50.86
3"	16.0000	110.88	3.74	114.62	109.79
4"	28.4444	197.12	3.74	200.86	192.30
6" and over	64.0000	443.52	3.74	447.26	428.03

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

CITY OF WALKER, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS * \$ 3,384,487

CURRENT REVENUES

MONTHLY METER CHARGE

8,070 meter equivalents x \$ 8.27 x 12 = \$ 800,867

MONTHLY BILLING CHARGE

5,959 meters x \$ 3.71 x 12 = 265,295

COMMODITY CHARGE

1,264,730 units (100 CF) x \$ 1.54 = 1,947,684

MONTHLY FIRE PROTECTION

59,328

ANNUAL HYDRANT CHARGE

- (3,073,174)

REQUIRED REVENUE INCREASE (DECREASE)

\$ 311,313

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES

10.13%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 62,838

CITY OF KENTWOOD, MICHIGAN
WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
RATE ANALYSIS - TASK NO. 26

SYSTEM REVENUE REQUIREMENTS \$ 4,432,641

CURRENT REVENUES

MONTHLY METER CHARGE

8,462 meter equivalents x \$ 11.79 x 12 = \$ 1,197,204

MONTHLY BILLING CHARGE

4,670 meters x \$ 3.71 x 12 = 207,908

COMMODITY CHARGE

1,589,933 units (100 CF) x \$ 1.59 = 2,527,993

MONTHLY FIRE PROTECTION

105,696

ANNUAL HYDRANT CHARGE

- (4,038,801)

REQUIRED REVENUE INCREASE (DECREASE)

\$ 393,840

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES

9.75%

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

SYSTEM REVENUE REQUIREMENTS \$ 3,453,631

CURRENT REVENUES

MONTHLY METER CHARGE

4,857 meter equivalents x \$ 17.28 x 12 = \$ 1,007,148

MONTHLY BILLING CHARGE

3,066 meters x \$ 3.71 x 12 = 136,498

COMMODITY CHARGE

869,479 units (100 CF) x \$ 2.19 = 1,904,159

MONTHLY FIRE PROTECTION

55,488

ANNUAL HYDRANT CHARGE

38,920

(3,142,213)

REQUIRED REVENUE INCREASE (DECREASE)

\$ 311,418

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES

9.91%

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

SYSTEM REVENUE REQUIREMENTS * \$ 2,403,436

CURRENT REVENUES

MONTHLY METER CHARGE			
4,876 meter equivalents	x	\$ 12.20	x 12 = \$ 713,846
MONTHLY BILLING CHARGE			
3,843 meters	x	\$ 3.71	x 12 = 171,090
COMMODITY CHARGE			
699,455 units (100 CF)	x	\$ 1.83	= 1,280,003
MONTHLY FIRE PROTECTION			17,424
ANNUAL HYDRANT CHARGE			- <u>(2,182,363)</u>
REQUIRED REVENUE INCREASE (DECREASE)			<u>\$ 221,073</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>10.13%</u>

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 30,974

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

SYSTEM REVENUE REQUIREMENTS	\$ 151,490
LESS: CASH CONTRIBUTION	-
SYSTEM REVENUE REQUIREMENTS	\$ 151,490

CURRENT REVENUES

MONTHLY METER CHARGE			
228 meter equivalents	x	\$ 5.29	x 12 = \$ 14,473
MONTHLY BILLING CHARGE			
132 meters	x	\$ 3.71	x 12 = 5,877
COMMODITY CHARGE			
27,065 units (100 CF)	x	\$ 4.02	= 108,801
MONTHLY FIRE PROTECTION			
			4,680
ANNUAL HYDRANT CHARGE			
			16,704
			(150,535)
REQUIRED REVENUE INCREASE (DECREASE)			\$ 955

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES	0.63%
--	-------

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS *		\$	742,116
COMMODITY CHARGE			
(100CF) 586,613 units	x	\$ 1.13	662,873
			<hr/>
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)		\$	<u>79,243</u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$	228,733
MONTHLY SERVICE CHARGE			
\$19,061	x	12 MONTHS	228,732
			<hr/>
REQUIRED SERVICE REVENUE INCREASE (DECREASE)		\$	<u>1</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>8.89%</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	\$ 970,849
NEW COMMODITY CHARGE *	
586,613 x \$1.27 =	(744,999)
	<hr/>
	<u>\$ 225,850</u>

MONTHLY SERVICE CHARGE * = \$225,850 / 12 = \$18,821

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS *	\$	948,071
COMMODITY CHARGE		
(100CF) 699,307 units x \$ 1.21		846,161
		846,161
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	\$	101,910
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	532,478
MONTHLY SERVICE CHARGE		
\$39,018 x 12 MONTHS		468,216
		468,216
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	\$	64,262
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		12.64%

* NET OF INTEGRATED CONNECTION FEE CREDIT.

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

SYSTEM REVENUE REQUIREMENTS	\$ 1,480,549
NEW COMMODITY CHARGE *	
699,307 x \$1.36 =	(951,058)
	<hr/>
	<u>\$ 529,491</u>

MONTHLY SERVICE CHARGE * = \$ 529,491 / 12 = \$44,124

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$ 1,214,776
COMMODITY CHARGE		
(100CF) 909,817 units x \$ 1.20		1,091,780
		1,091,780
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)		\$ 122,996
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$ -
MONTHLY SERVICE CHARGE		
\$29 x 12 MONTHS		348
		348
REQUIRED SERVICE REVENUE INCREASE (DECREASE)		\$ (348)
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		11.23%

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

SYSTEM REVENUE REQUIREMENTS	\$ 1,214,776
NEW COMMODITY CHARGE *	
909,817 x \$1.34 =	(1,219,155)
	<hr/>
	<u>\$ (4,379)</u>

MONTHLY SERVICE CHARGE * = \$ - / 12 = \$0

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: August 18, 2009

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 2009.

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>2009</u>	<u>2010</u>
Domestic Water User	\$ 62.00	\$ 55.00
Commercial-Industrial User (Watermain over 8 in. diameter)	\$ 82.00	\$ 75.00

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, 2008 through June, 2009. 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	2009	\$ 1,750	\$ 2,000	\$ 2,150	\$ 2,550	\$ 3,050
	2010	\$ 1,500	\$ 1,750	\$ 1,900	\$ 2,200	\$ 2,600
Cost for 1-1/2" Water Service	2009	\$ 2,450	\$ 2,750	\$ 2,950	\$ 3,400	\$ 4,000
	2010	\$ 2,150	\$ 2,400	\$ 2,500	\$ 2,900	\$ 3,400
Cost for 2" Water Service	2009	\$ 2,900	\$ 3,250	\$ 3,450	\$ 4,000	\$ 4,700
	2010	\$ 2,550	\$ 2,900	\$ 3,100	\$ 3,450	\$ 4,000

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 27, 2009

TO: Linda Wagenmaker
Financial Analyst

FROM: Priscilla L. Jernigan
Utility Supervisor



SUBJECT: 2009 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:

- “Fire Protection Charges” have been increased for 6” – 12” for the Monthly and Quarterly charges
- The “Hydrant Use Permits” have been increased for the weekly user, seasonal user, and refundable deposit.
- The “Security Deposit” has been raised to \$509.00, which is three times the average residential quarterly water/sewer bill of \$169.76.
- Under “Miscellaneous Permits” fees have been increased for water inspections within the City and outside of the City of GR. We also omitted the “Repair in the Yard Permit – it is no longer issued.
- Under “Penalties” fees were increased on Processing for shut-off, failure to keep appointments, or call backs with final meter readings, loss/non-returned hydrant wrench, returned check processing fee (water) per account.
- Under “Penalties” fees were added for: Unauthorized service tap of watermain

These fees have been increased to more closely reflect the actual cost incurred.

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 26, 2009.

cc: Joyce Truss
Joellen Thompson

FEES AND CHARGES

FIRE PROTECTION CHARGES

<u>Pipe Size</u>	<u>Monthly</u>	<u>Quarterly</u>
6"	\$15.00	\$45.00
8"	24.00	72.00
10"	36.00	108.00
12"	54.00	162.00

HYDRANT USE PERMITS

	<u>Fee</u>
Deposit (refundable)	\$300.00
Minimum charge (one week's use).....	60.00
Seasonal permit (flat fee for five weeks and over)	300.00

<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	\$25.00

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.....	\$509.00

MISCELLANEOUS PERMITS

	<u>Fee</u>
Street opening permit.....	\$25.00
Water inspection permit (each inspection within the City).....	35.00
Water inspection permit (each inspection outside the City)	50.00

PENALTIES

	<u>Fee</u>
Late-payment penalty	10% of net
Processing for shut-off (non-payment, cross connection)	\$55.00
Penalty for failure to keep appointment or call back with final meter reading.....	25.00
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.....	30.00
Permit infractions/violations.....	100.00*
(plus double with each subsequent infraction)	
Returned check charge (verified with City Treasurer 10/26/09)	25.00
Returned check processing fee (water) per account.....	7.00
Unauthorized service tap of watermain	100.00
(fine per tap plus tapping permit fee for each tap)	
Back billing for service rendered.....	Section III

*Penalty will double with each subsequent infraction.

WRS\wtask30 2009

**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: October 23, 2009

TO: Mark DeClercq, P.E.

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

SUBJECT: 2009 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	\$14.84 per lineal foot
12 inch to 16 inch	\$20.51 per lineal foot
8 inch to 16 inch	\$35.35 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, 2010 through December 31, 2010. 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
Vaughn Umphrey
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 information on file as of October 28, 2009:

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:

<u>Description</u>	<u>AMOUNT</u>	<u>PERCENT</u>
Individual Circuit Breaker	\$ 62,685	12.50%
City & Customer Community Circuit Breaker	438,793	87.50%
Total	<u>\$ 501,478</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	\$ 438,793	100.00%
Less: Amount Applied in Current Rate Study	<u>(93,812)</u>	<u>-21.38%</u>
Total Revenue Credit- Next Year's Rate Study	<u>\$ 344,981</u>	<u>78.62%</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
SYSTEM ADDITIONS AND IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
TASKS NO. 1, 2, & 3**

COMMUNITY	LOCAL		TRUNK		INTERCEPTOR		TOTALS	
	FEET	MILES	FEET	MILES	FEET	MILES	FEET	MILES
Grand Rapids								
Construction	1,261	0.24	2,590	0.49	3,436	0.65	7,287	1.38
Abandonment	(2,985)	(0.57)	(3,048)	(0.58)	(5,133)	(0.97)	(11,166)	(2.12)
CSO Construction	58	0.01	927	0.18	3,514	0.67	4,499	0.86
CSO Abandonment	(1,603)	(0.30)	(1,509)	(0.29)	(2,720)	(0.52)	(5,832)	(1.11)
	<u>(3,269)</u>	<u>(0.62)</u>	<u>(1,040)</u>	<u>(0.20)</u>	<u>(903)</u>	<u>(0.17)</u>	<u>(5,212)</u>	<u>(0.99)</u>
Kentwood								
Construction	1,910	0.36	204	0.04		0.00	2,114	0.40
Abandonment	(44)	(0.01)		0.00		0.00	(44)	(0.01)
	<u>1,866</u>	<u>0.35</u>	<u>204</u>	<u>0.04</u>	<u>0</u>	<u>0.00</u>	<u>2,070</u>	<u>0.39</u>
Cascade Twp.								
Construction	5,583	1.06		0.00		0.00	5,583	1.06
Abandonment		0.00		0.00		0.00	0	0.00
	<u>5,583</u>	<u>1.06</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>5,583</u>	<u>1.06</u>
G.R. Twp.								
Construction	3,522	0.67		0.00		0.00	3,522	0.67
Abandonment		0.00		0.00		0.00	0	0.00
	<u>3,522</u>	<u>0.67</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>3,522</u>	<u>0.67</u>
Tallmadge Twp.								
Construction	(38)	(0.01)	20	0.00		0.00	(18)	(0.01)
Abandonment		0.00		0.00		0.00	0	0.00
	<u>(38)</u>	<u>(0.01)</u>	<u>20</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>(18)</u>	<u>(0.01)</u>
Walker								
Construction	874	0.17	1,790	0.34	19,747	3.74	22,411	4.25
Abandonment	(843)	(0.16)	(16,047)	(3.04)	(4,004)	(0.76)	(20,894)	(3.96)
	<u>31</u>	<u>0.01</u>	<u>(14,257)</u>	<u>(2.70)</u>	<u>15,743</u>	<u>2.98</u>	<u>1,517</u>	<u>0.29</u>
Wright Twp								
Construction		0.00		0.00		0.00	0	0.00
Abandonment		0.00		0.00		0.00	0	0.00
	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
TOTAL	<u>7,695</u>	<u>1.46</u>	<u>(15,073)</u>	<u>(2.86)</u>	<u>14,840</u>	<u>2.81</u>	<u>7,462</u>	<u>1.41</u>

SEWER COSTS

COMMUNITY	COMMUNITY COST
Grand Rapids	\$ -
Kentwood	140,975
Cascade Twp.	443,912
Grand Rapids Twp.	209,611
Tallmadge Twp.	(13,093)
Walker	27,938
Wright Twp.	-
TOTAL	<u>\$ 809,343</u>

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
OPERATING EXPENSE ALLOCATION BY COST CENTER - TASK #4, PART 1
FISCAL YEAR ENDED JUNE 30, 2009

ACTIVITY CODE	ACTIVITY	WASTEWATER TREATMENT PLANT		WASTEWATER LIFT STATIONS			SEWER LINES			BULK METERING STATIONS	CUSTOMER ACCOUNTING	INDUSTRIAL PRETREAT.	ADMIN. EXPENSE
		EXPENSE BY ACTIVITY		INTERCEPTOR	TRUNK	LOCAL COLLECTOR	INTERCEPTOR	TRUNK	LOCAL COLLECTOR				
4423	WASTEWATER TREATMENT (LESS 442305)	\$ 14,145,781	\$ 12,970,977	\$ 367,691	\$ 202,509	\$ 591,183				\$ 13,421			
4425	SEWER MAINTENANCE	7,202,194					364,935	801,244	6,036,015		2,515,490	592,977	
4413	CUSTOMER SERVICE *	2,515,490											
442305	INDUSTRIAL PRETREATMENT	592,977										592,977	
4410	SUBTOTAL OPERATING EXPENSE ADMINISTRATION	24,456,442	12,970,977	367,691	202,509	591,183	364,935	801,244	6,036,015	13,421	2,515,490	592,977	-
	TOTAL	\$ 26,421,905	\$ 12,970,977	\$ 367,691	\$ 202,509	\$ 591,183	\$ 364,935	\$ 801,244	\$ 6,036,015	\$ 13,421	\$ 2,515,490	\$ 592,977	\$ 1,965,463

* 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		91.695%										
	B. LIFT & METER STATIONS		8.305%										
	NO. OF STATIONS	(58)		(1)	(6)	(45)				(4)			
4425	SEWER MAINTENANCE	100.000%											
	TOTAL MILES	898.43											
	A. INTERCEPTOR MILES	45.52					5.067%						
	B. TRUNK LINES MILES	99.95						11.125%					
	C. LOCAL COLLECTOR MILES	752.96							83.808%				
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, 2009**

COST CENTER	EXPENSE BY COST CENTER	INTEGRATED SYSTEM	RETAIL				WHOLESALE							
			CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	FALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER-ALGOMA
WASTEWATER TREATMENT	\$ 12,970,977	\$ 12,970,977												
LIFT STATIONS:														
A. INTERCEPTOR	367,691													
B. TRUNK	86,528		95,940			20,041								
C. LOCAL COLLECTOR	591,183		70,586			94,515		274,658	44,190	11,440			12,871	
SEWER LINES:														
A. INTERCEPTOR	364,936		55,156		58,685	3,047								
B. TRUNK	801,244		208,107		197,362	70,061		39,918	22,683	961				
C. LOCAL COLLECTOR	6,036,015		748,949		587,063	368,419		452,761	67,181	36,095				
BULK METERING STATIONS	13,421				2,729									
CUSTOMER ACCOUNTING	2,515,490		186,071		147,936	56,775		117,046	4,050	7,823			3,121	4,526
INDUSTRIAL PRETREATMENT	592,977													
SUBTOTAL OPERATING EXPENSE	24,466,442	13,563,954	6,828,677	1,364,809	993,775	602,858	884,363	138,104	56,319	15,992	4,526			
ADMINISTRATIVE EXPENSE	1,965,463	1,090,079	548,792	109,684	79,866	48,449	71,074	11,099	4,526	245	364			
TOTAL	\$ 26,421,905	\$ 14,654,033	\$ 7,377,469	\$ 1,474,493	\$ 1,073,641	\$ 651,307	\$ 955,457	\$ 149,203	\$ 60,845	\$ 3,290	\$ 4,890	\$	\$	\$

METHOD OF DISTRIBUTION

WASTEWATER TREATMENT	A. TREATMENT PLANT	B. LIFT & METER STATIONS (1)	NO. OF STATIONS (58)	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	FALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER-ALGOMA
	100.000%	100.000%													
SEWER LINES:															
TOTAL MILES:	898.43														
A. INTERCEPTOR	45.52														
B. TRUNK LINES	99.95														
C. LOCAL COLLECTOR	752.96														
CUSTOMER ACCTG (2)	73,843.00														
INDUSTRIAL PRETREATMENT															
ADMINISTRATIVE EXPENSE (3)															

				(14)	(6)	(1)	(10)	(17)	(5)	(1)	(1)		(2)	(1)	
				67,970%	15,114%	16,081%	0.835%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
				30.94	6.88	7.32	0.38								
				32,718%	25,973%	24,632%	8,744%	4,982%	2,831%	0.120%	0.000%	0.000%	0.000%	0.000%	0.000%
				32.70	25.96	24.62	8.74	4.98	2.83	0.12					
				62,716%	12,408%	9,726%	5,938%	7,501%	1,113%	0.598%	0.000%	0.000%	0.000%	0.000%	0.000%
				472.23	93.43	73.23	44.71	56.48	8.38	4.50					
				79,651%	7,397%	5,881%	2,257%	4,653%	0.161%	0.311%					
				58,586.00	5,462.00	4,343.00	1,667.00	3,436.00	119.00	230.00					
				27,922%	5,581%	4,063%	2,465%	3,616%	0.565%	0.230%	0.012%	0.000%	0.065%	0.019%	0.000%

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, 2009

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	LOCAL COLLECTOR	INTERCEPTOR	TRUNK	LOCAL COLLECTOR	TRUNK	INTERCEPTOR	TRUNK				
4423	WASTEWATER TREATMENT (LESS 442305)	\$ 14,696,324	\$ 13,512,514	\$ 370,510	\$ 204,062	\$ 595,714					\$ 13,524				
4425	SEWER MAINTENANCE	7,550,761							382,597	840,022	6,328,142				
4413	CUSTOMER SERVICE *	2,749,123										2,749,123			
442305	INDUSTRIAL PRETREATMENT	601,274											601,274		
	SUBTOTAL OPERATING EXPENSE	25,597,482	13,512,514	370,510	204,062	595,714			382,597	840,022	6,328,142		2,749,123	601,274	-
4410	ADMINISTRATION	2,027,033													2,027,033
	TOTAL	\$ 27,624,515	\$ 13,512,514	\$ 370,510	\$ 204,062	\$ 595,714			\$ 382,597	\$ 840,022	\$ 6,328,142	\$ 13,524	\$ 2,749,123	\$ 601,274	\$ 2,027,033

* 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		91.945%													
	B. LIFT & METER STATIONS		8.055%													
	NO. OF STATIONS	(58)		(1)	(8)	(45)						(4)				
4425	SEWER MAINTENANCE	100.000%														
	TOTAL MILES	888.43														
	A. INTERCEPTOR MILES	45.52							5.067%							
	B. TRUNK LINES MILES	99.95								11.125%						
	C. LOCAL COLLECTOR MILES	752.96									83.808%					
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, 2009**

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	GAINES TOWNSHIP	MEIER-ALGOMA				
WASTEWATER TREATMENT	\$ 13,512,514	\$ 13,512,514																
LIFT STATIONS:																		
A. INTERCEPTOR	370,510																	
B. TRUNK	87,192		96,675				20,195											
C. LOCAL COLLECTOR	595,714		71,127				95,239	276,763	44,529	11,528			12,970					
SEWER LINES:																		
A. INTERCEPTOR	382,597		57,826		61,525		3,195											
B. TRUNK	840,022		218,179		208,914		73,452	41,850	23,781	1,008								
C. LOCAL COLLECTOR	6,328,142		3,968,788		815,475		375,765	474,674	70,432	37,842								
BULK METERING STATIONS	13,524				2,750									3,068				
CUSTOMER ACCOUNTING	2,749,123		203,353		161,676		62,048	127,917	4,426	8,550						3,145		4,561
INDUSTRIAL PRETREATMENT	601,274																	
SUBTOTAL OPERATING EXPENSE	25,597,462		14,113,788		1,048,340		629,894	921,204	143,168	58,928			16,115	3,068		4,561		
ADMINISTRATIVE EXPENSE	2,027,093		572,223		85,017		49,881	72,949	11,337	4,666			243			361		
TOTAL	\$ 27,624,515		\$ 15,231,442		\$ 1,131,357		\$ 679,775	\$ 994,153	\$ 154,505	\$ 63,594			\$ 3,311	\$ 4,922		\$ 4,922		\$ -

METHOD OF DISTRIBUTION

METHOD OF DISTRIBUTION	WASTEWATER TREATMENT	A. TREATMENT PLANT	B. LIFT & METER STATIONS (1)	NO. OF STATIONS (58)	SEWER LINES:	TOTAL MILES:	A. INTERCEPTOR	MILES	B. TRUNK LINES	MILES	C. LOCAL COLLECTOR	MILES	CUSTOMER ACCTG (2)	NO. OF METERS	INDUSTRIAL PRETREATMENT	ADMINISTRATIVE EXPENSE (3)	WHOLESALE	RETAIL
WASTEWATER TREATMENT	100.000%	100.000%	100.000%	100.000%	898.43	898.43	67.970%	15.114%	16.081%	0.835%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
A. TREATMENT PLANT					45.52	45.52	30.94	6.88	7.32	0.38	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
B. LIFT & METER STATIONS (1)					99.95	99.95	32.70	25.96	24.62	8.74	4.98	2.83	0.12	0.000%	0.000%	0.000%	0.000%	0.000%
SEWER LINES:					752.96	752.96	62.716%	12.408%	9.726%	5.938%	7.501%	1.113%	0.598%	0.000%	0.000%	0.000%	0.000%	0.000%
TOTAL MILES:							472.23	93.43	73.23	44.71	56.48	8.36	4.50					
A. INTERCEPTOR							79.340%	7.387%	5.881%	2.257%	4.653%	0.161%	0.311%					
MILES							58,686.00	5,462.00	4,343.00	1,667.00	3,436.00	119.00	230.00					
B. TRUNK LINES							28.230%	5.586%	4.095%	2.461%	3.599%	0.559%	0.230%					
MILES																		
C. LOCAL COLLECTOR																		
MILES																		
CUSTOMER ACCTG (2)																		
NO. OF METERS																		
INDUSTRIAL PRETREATMENT																		
ADMINISTRATIVE EXPENSE (3)																		

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, 2009
RATE STUDY- TASKS NO. 4 & 5

ORGANIZATIONAL UNIT: 4410- ADMINISTRATION

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
.703	RETIREE HEALTH CARE	\$ 16,957.08	\$ 7,751.08	\$ 24,708.16
706	PERMANENT EMPLOYEES	152,614.30	6,943.95	159,558.25
707	TEMPORARY EMPLOYEES	8,043.20	365.97	8,409.17
715	EMPLOYERS SOCIAL SECURITY	12,353.53	562.09	12,915.62
717	SPECIAL PENSION BENEFITS	5,549.03	-	5,549.03
719	HOSPITALIZATION INSURANCE	20,328.40	(166.69)	20,161.71
721	LONGEVITY PAY	1,488.32	-	1,488.32
722	RETIREMENT FUND CONTRIBUTION	9,877.71	5,008.00	14,885.71
725	STAFFING REVISIONS		(20,756.09)	(20,756.09)
	TOTAL PERSONAL SERVICES	<u>227,211.57</u>	<u>(291.69)</u>	<u>226,919.88</u>
728	SUPPLIES	1,963.07	-	1,963.07
768	CLOTHING/CLEANING ALLOWANCE	650.00	-	650.00
	TOTAL SUPPLIES	<u>2,613.07</u>	<u>-</u>	<u>2,613.07</u>
814	COMPUTER SERVICES	236,797.88	-	236,797.88
818	CONTRACTUAL SERVICES	68,290.96	-	68,290.96
835	FEES	372.00	-	372.00
872	PROFESSIONAL DEVELOPMENT	6,009.89	-	6,009.89
873	OTHER TRAVEL AND TRAINING	8,392.43	-	8,392.43
874	LOCAL BUSINESS EXPENSE	2,314.51	-	2,314.51
875	MEMBERSHIPS	6,366.55	-	6,366.55
876	PUBLICATIONS AND SUBSCRIPTIONS	410.87	-	410.87
900	PRINTING & PUBLISHING	325.30	-	325.30
912	CLAIMS/GENERAL INSURANCE	198,134.04	(102,473.04)	95,661.00
919	INSURANCE PREMIUMS	178,581.00	-	178,581.00
928	TELEPHONE	5,458.75	-	5,458.75
942	BUILDINGS RENTALS OR LEASE	18,392.61	-	18,392.61
947	VEHICLE RENTAL/CAR MILEAGE	6,792.94	-	6,792.94
	TOTAL OTHER SERVICES & CHARGES	<u>736,639.73</u>	<u>(102,473.04)</u>	<u>634,166.69</u>
999	OPERATING TRANSFERS OUT	998,999.00	164,334.00	1,163,333.00
	TOTAL TRANSFERS/FEES	<u>998,999.00</u>	<u>164,334.00</u>	<u>1,163,333.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 1,965,463.37</u>	<u>\$ 61,569.27</u>	<u>\$ 2,027,032.64</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2009
RATE STUDY- TASKS NO. 4 & 5**

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

<u>EXPENDITURE SUB-OBJECT</u>		<u>OPERATING</u>	<u>ADJUSTED</u>	<u>ADJUSTED</u>
<u>NO.</u>	<u>DESCRIPTION</u>	<u>EXPENSES</u>	<u>COST</u>	<u>CURRENT</u>
			<u>FACTORS</u>	<u>ANNUAL</u>
				<u>EXPENSES</u>
999	OPERATING TRANSFERS OUT *	\$ 2,515,490.00	\$ 233,632.60	\$ 2,749,122.60
	TOTAL TRANSFERS/FEEES	<u>2,515,490.00</u>	<u>233,632.60</u>	<u>2,749,122.60</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,515,490.00</u>	<u>\$ 233,632.60</u>	<u>\$ 2,749,122.60</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, 2009
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	\$ 386,359.98	\$ 176,605.15	\$ 562,965.13
706	PERMANENT EMPLOYEES	3,562,394.27	162,088.94	3,724,483.21
707	TEMPORARY EMPLOYEES	117.65	5.35	123.00
708	SHIFT DIFFERENTIAL	10,232.56	-	10,232.56
709	TIME & ONE-HALF	86,731.37	3,946.28	90,677.65
710	ACT.ASSIGNMENT	13,045.52	593.57	13,639.09
712	UNEMPLOYMENT COMPENSATION	3,616.40	-	3,616.40
714	REGULAR HOURLY RATE	2,546.78	115.88	2,662.66
715	EMPLOYERS SOCIAL SECURITY	278,096.99	12,653.41	290,750.40
719	HOSPITALIZATION INSURANCE	939,990.18	(7,707.92)	932,282.26
721	LONGEVITY PAY	34,764.05	-	34,764.05
722	RETIREMENT FUND CONTRIBUTION	283,665.37	143,818.34	427,483.71
725	STAFFING REVISIONS		(412,391.67)	(412,391.67)
	TOTAL PERSONAL SERVICES	<u>5,601,561.12</u>	<u>79,727.33</u>	<u>5,681,288.45</u>
728	SUPPLIES	1,332,041.45	-	1,332,041.45
768	CLOTHING/CLEANING ALLOWANCE	6,174.34	-	6,174.34
780	INVENTORY - COST OF GOODS SOLD	9,281.14	-	9,281.14
	TOTAL SUPPLIES	<u>1,347,496.93</u>	<u>-</u>	<u>1,347,496.93</u>
814	COMPUTER SERVICES	197,421.12	-	197,421.12
818	CONTRACTUAL SERVICES	3,745,941.40	470,816.00	4,216,757.40
835	FEES	20,435.00	-	20,435.00
872	PROFESSIONAL DEVELOPMENT	2,386.82	-	2,386.82
873	OTHER TRAVEL AND TRAINING	18,838.24	-	18,838.24
874	LOCAL BUSINESS EXPENSE	467.28	-	467.28
875	MEMBERSHIPS	4,145.00	-	4,145.00
876	PUBLICATIONS AND SUBSCRIPTIONS	611.69	-	611.69
900	PRINTING & PUBLISHING	1,278.41	-	1,278.41
921	ELECTRICITY	2,106,437.89	-	2,106,437.89
922	WATER	53,975.94	-	53,975.94
923	GAS	361,624.64	-	361,624.64
928	TELEPHONE	274,322.37	-	274,322.37
930	MAINTENANCE REPAIR	203,312.95	-	203,312.95
943	EQUIPMENT RENTALS OR LEASE	184,191.17	-	184,191.17
947	VEHICLE RENTAL/CAR MILEAGE	3,433.78	-	3,433.78
959	REFUSE COLLECTION CHARGES	3,276.76	-	3,276.76
	TOTAL OTHER SERVICES & CHARGES	<u>7,182,100.46</u>	<u>470,816.00</u>	<u>7,652,916.46</u>
982	EQUIPMENT	14,622.42	-	14,622.42
	TOTAL CAPITAL	<u>14,622.42</u>	<u>-</u>	<u>14,622.42</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 14,145,780.93</u>	<u>\$ 550,543.33</u>	<u>\$ 14,696,324.26</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2009
RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 442305- IND. PRETREATMENT

NO.	EXPENDITURE SUB-OBJECT DESCRIPTION	OPERATING EXPENSES	ADJUSTED COST FACTORS	ADJUSTED CURRENT ANNUAL EXPENSES
703	RETIREE HEALTH CARE	\$ 38,690.06	\$ 17,685.23	\$ 56,375.29
706	PERMANENT EMPLOYEES	356,710.54	16,230.33	372,940.87
708	SHIFT DIFFERENTIAL	5.73	-	5.73
709	TIME & ONE-HALF	2,040.79	92.86	2,133.65
710	ACT.ASSIGNMENT	823.56	37.47	861.03
715	EMPLOYERS SOCIAL SECURITY	27,433.01	1,248.20	28,681.21
719	HOSPITALIZATION INSURANCE	89,821.92	(736.54)	89,085.38
721	LONGEVITY PAY	1,991.68	-	1,991.68
722	RETIREMENT FUND CONTRIBUTION	28,914.11	14,659.45	43,573.56
725	STAFFING REVISIONS		(40,919.84)	(40,919.84)
	TOTAL PERSONAL SERVICES	<u>546,431.40</u>	<u>8,297.16</u>	<u>554,728.56</u>
728	SUPPLIES	11,326.22	-	11,326.22
730	POSTAGE	1,240.96	-	1,240.96
	TOTAL SUPPLIES	<u>12,567.18</u>	<u>-</u>	<u>12,567.18</u>
810	BAD DEBT WRITE-OFFS	733.24	-	733.24
818	CONTRACTUAL SERVICES	7,981.95	-	7,981.95
873	OTHER TRAVEL AND TRAINING	1,190.00	-	1,190.00
874	LOCAL BUSINESS EXPENSE	320.00	-	320.00
875	MEMBERSHIPS	900.00	-	900.00
876	PUBLICATIONS AND SUBSCRIPTIONS	562.15	-	562.15
900	PRINTING & PUBLISHING	1,008.00	-	1,008.00
930	MAINTENANCE REPAIR	1,126.18	-	1,126.18
943	EQUIPMENT RENTALS OR LEASE	19,587.12	-	19,587.12
947	VEHICLE RENTAL/CAR MILEAGE	570.00	-	570.00
	TOTAL OTHER SERVICES & CHARGES	<u>33,978.64</u>	<u>-</u>	<u>33,978.64</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 592,977.22</u>	<u>\$ 8,297.16</u>	<u>\$ 601,274.38</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2009
RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 4425- REPAIR & MAINTENANCE

NO.	EXPENDITURE SUB-OBJECT DESCRIPTION	OPERATING EXPENSES	ADJUSTED COST FACTORS	ADJUSTED CURRENT ANNUAL EXPENSES
703	RETIREE HEALTH CARE	\$ 120,506.13	\$ 55,083.35	\$ 175,589.48
706	PERMANENT EMPLOYEES	1,120,752.59	50,994.24	1,171,746.83
707	TEMPORARY EMPLOYEES	290.02	13.20	303.22
708	SHIFT DIFFERENTIAL	60.09	-	60.09
709	TIME & ONE-HALF	130,387.60	5,932.64	136,320.24
710	ACT.ASSIGNMENT	6,307.27	286.98	6,594.25
714	REGULAR HOURLY RATE	496.20	22.58	518.78
715	EMPLOYERS SOCIAL SECURITY	95,049.49	4,324.75	99,374.24
719	HOSPITALIZATION INSURANCE	323,260.40	(2,650.74)	320,609.66
721	LONGEVITY PAY	13,198.70	-	13,198.70
722	RETIREMENT FUND CONTRIBUTION	87,747.62	44,488.04	132,235.66
725	STAFFING REVISIONS		190,072.17	190,072.17
	TOTAL PERSONAL SERVICES	<u>1,898,056.11</u>	<u>348,567.21</u>	<u>2,246,623.32</u>
728	SUPPLIES	259,535.80	-	259,535.80
768	CLOTHING/CLEANING ALLOWANCE	<u>3,886.28</u>	-	<u>3,886.28</u>
	TOTAL SUPPLIES	<u>263,422.08</u>	-	<u>263,422.08</u>
814	COMPUTER SERVICES	10,280.64	-	10,280.64
818	CONTRACTUAL SERVICES	2,812,764.31	-	2,812,764.31
835	FEES	90.00	-	90.00
873	OTHER TRAVEL AND TRAINING	500.98	-	500.98
875	MEMBERSHIPS	375.00	-	375.00
876	PUBLICATIONS AND SUBSCRIPTIONS	91.57	-	91.57
900	PRINTING & PUBLISHING	1,412.20	-	1,412.20
912	CLAIMS	1,120,466.58	-	1,120,466.58
921	ELECTRICITY	11,232.10	-	11,232.10
922	WATER	3,532.54	-	3,532.54
923	GAS	21,358.15	-	21,358.15
928	TELEPHONE	5,565.43	-	5,565.43
930	MAINTENANCE REPAIR	4,699.46	-	4,699.46
931	HOME REPAIR	265,823.42	-	265,823.42
943	EQUIPMENT RENTALS OR LEASE	730,973.07	-	730,973.07
945	LAND RENTAL OR LEASE	3,037.35	-	3,037.35
947	VEHICLE RENTAL/CAR MILEAGE	1,290.00	-	1,290.00
959	REFUSE COLLECTION CHARGES	1,082.19	-	1,082.19
	TOTAL OTHER SERVICES & CHARGES	<u>4,994,574.99</u>	-	<u>4,994,574.99</u>
999	OPERATING TRANSFERS OUT	<u>46,141.08</u>	-	<u>46,141.08</u>
	TOTAL TRANSFERS/FEES	<u>46,141.08</u>	-	<u>46,141.08</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 7,202,194.26</u>	<u>\$ 348,567.21</u>	<u>\$ 7,550,761.47</u>

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 27, 2009

TO: Eric R. DeLong
Deputy City Manager

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: FY 2009 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

srs\stask4 2009

**CITY OF GRAND RAPIDS, MICHIGAN
INVENTORY OF SEWAGE PUMPING/METER STATIONS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Station</u>	<u>Physical Location</u>	<u>Type</u>	<u>FY'09 Expenses</u>
Market Avenue	Grand Rapids	Interceptor	\$ 367,691
Millbank	Grand Rapids	Local	4,234
Eastlake	Grand Rapids	Local	7,519
Eastern	Grand Rapids	Trunk	6,852
Middleboro	Grand Rapids	Trunk	33,111
Oak Hollow	Grand Rapids Twmsp	Local	15,982
Kingsbury	Walker	Trunk	19,831
Bona Vista	Grand Rapids	Trunk	32,372
Aberdeen	Grand Rapids	Local	11,636
O'Brien	Walker	Trunk	61,582
Leonard Heights	Walker	Trunk	14,527
Guild	Grand Rapids	Local	11,253
Orchard Vista	Cascade Twmsp	Local	7,603
Brookview	Grand Rapids	Trunk	14,193
Remembrance Road	Walker	Local	54,045
Kraft Avenue	Cascade Twmsp	Local	13,823
Thornapple	Cascade Twmsp	Trunk	20,041
Thornhills	Cascade Twmsp	Local	15,007
Greenbrier	Grand Rapids Twmsp	Local	9,677
Shore Haven	Grand Rapids Twmsp	Local	11,079
Ada	Ada	Local	12,871
Robinhood	Grand Rapids Twmsp	Local	32,081
Lincoln School	Grand Rapids Twmsp	Local	11,009
Reeds Lake Blvd. 6000 28th Street	Grand Rapids Twmsp Cascade Twmsp	Local Local	62,332 11,346
Ada	Ada	Meter	3,121
East Grand Rapids	East Grand Rapids	Meter	3,045
Brandau *	North Kent	Meter	-
Briggs *	North Kent	Meter	-
Gaines Township	Gaines Township	Meter	4,526
Kentwood	Kentwood	Meter	2,729
Alpine Township Meter *	Alpine Township (NK)	Meter	-
Rickman Avenue	Grand Rapids	Local	13,822
Michigan Street	Grand Rapids	Local	9,182
Eagle Crest	Grand Rapids Twmsp	Local	12,260
East Paris	Grand Rapids Twmsp	Local	20,558
Alpine Estates	Walker	Local	11,358
Elmdale	Grand Rapids	Local	13,005
Collindale	Walker	Local	5,183
Saddleback	Grand Rapids Twmsp	Local	6,343
Arbor Hills Lift Station	Grand Rapids Twmsp	Local	27,586
Cypress Trails	Grand Rapids Twmsp	Local	5,218
Bird Avenue	Grand Rapids Twmsp	Local	33,325
Valentine	Grand Rapids Twmsp	Local	3,233
Cascade Springs	Cascade Twmsp	Local	9,042
Churchill Downs	Grand Rapids	Local	7,542
Woodsboro Court	Grand Rapids Twmsp	Local	2,802
Meadowood Trails	Cascade Twmsp	Local	5,364
Stonebridge	Grand Rapids Twmsp	Local	9,566
Burton/Cacade	Cascade Twmsp	Local	15,561
Crahen	Grand Rapids Twmsp	Local	5,528
Jonathan Woods	Cascade Twmsp	Local	9,339
Watermark	Cascade Twmsp	Local	7,430
Mountain Ash	Tallmadge Twmsp	Local	7,968
Reeds Hollow	Grand Rapids Twmsp	Local	6,079
16th Avenue Lift Station	Marne	Local	11,440
Hayes West Lift Station	Tallmadge	Local	8,865
Hayes East Lift Station	Tallmadge	Local	10,430
8th & Leonard LS	Tallmadge	Local	8,839
Summit Ridge LS	Grand Rapids	Local	4,730
Lake Michigan Estates	Tallmadge	Local	8,088
			\$ 1,174,804

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

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: December 1, 2009

TO: Mike Wolski
Utility Financial Officer

FROM: Scott Buhrer 
Chief Financial Officer

SUBJECT: 2009 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.

Attachment

**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, 2009**

Sub-Object - 703

The factor to establish calendar year 2010's retiree health care cost is 45.71%. Increase the total of fiscal year 2009's retiree health care (subobject 703) by this percent to establish the cost for calendar year 2010.

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

The wage increase factor to translate FY2009 actual costs to estimated calendar 2010 will be 4.55%.

Sub-Object - 715

Increase FY2009 actual FICA expense by 4.55% to account for the effect of the wage increases.

Sub-Object - 719

Decrease FY2009 health insurance actual by 0.82% to reflect rate changes effective in FY2010.

Sub-Object - 722

Increase FY2009 actual pension expense by 50.7% to reflect the effect of a General Pension rate change increase from 8.2% to 13.62% and an estimated wage increase of 4.55%.

Sub-Object - 999

Administration - Adjust FY2009 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 27, 2009

TO: Linda Wagenmaker
Financial Analyst

FROM: Randall Fisher *Randall Fisher*
Environmental Services Manager

SUBJECT: **2009 SEWER RATE STUDY- TASK #5- KNOWN COST INCREASES/DECREASES**

Known cost increases/decreases by which to adjust actual FY09 operating line-item costs include the increase associated with the start-up of the GVRBA project as follows:

<u>DESCRIPTION</u>	<u>ACCOUNT</u>	<u>AMOUNT</u>
GVRBA Project	WWTP- 4423-818	470,816

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

RF/LW

srs\stask5-Bio-2009

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 27, 2009

TO: Eric R. DeLong
Deputy City Manager

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: 2009 SEWER RATE STUDY- TASK #6

The Sewage Disposal System Fund's revenues and volumes by governmental unit for the year ended June 30, 2009 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 2009

**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, 2009:

RETAIL:	SALES REVENUE		VOLUME BILLED
	METERED SALES	SURCHARGES	(GALLONS)
CITY OF GRAND RAPIDS (1)	\$ 28,557,246.80	\$ 461,987.98	5,461,587,824
CITY OF WALKER	3,857,300.41	35,753.88	676,848,744
CITY OF KENTWOOD	2,717,460.35	230,408.66	942,037,184
CASCADE TOWNSHIP	1,731,980.95	20,117.94	327,208,112
GRAND RAPIDS TOWNSHIP	1,929,135.04		309,621,884
TALLMADGE TOWNSHIP	226,627.32		14,664,540
WRIGHT TOWNSHIP (2)	258,127.25	11,245.62	19,522,644
SUB-TOTAL RETAIL (3)	<u>\$ 39,277,878.12</u>	<u>\$ 759,514.08</u>	<u>7,751,490,932</u>
WHOLESALE:			
CITY OF E. GRAND RAPIDS	\$ 751,861.22		518,932,600
NORTH KENT AREA (4)	793,755.09		-
ADA TOWNSHIP	638,587.57	399,349.47	337,356,352
GAINES TOWNSHIP	159,856.42		112,141,235
MEIJER - ALGOMA (4)	1,919.34		-
SUB-TOTAL WHOLESALE	<u>\$ 2,345,979.64</u>	<u>\$ 399,349.47</u>	<u>968,430,187</u>
TOTAL	<u>\$ 41,623,857.76</u>	<u>\$ 1,158,863.55</u>	<u>8,719,921,119</u>

REVENUE CLASSIFICATION:

4410 - 607054 ADA SEWAGE SERVICE CHARGE	\$ 638,587.57
4410 - 607055 RETAIL SEWAGE SERVICE CHARGE	39,193,269.30
4410 - 607056 WYOMING SEWAGE SERVICE CHARGE	84,608.82
4410 - 607058 NORTH KENT SEWAGE SERVICE CHARGE	793,755.09
4410 - 607060 E. GRAND RAPIDS SEWAGE SERVICE CHARGE	751,861.22
4410 - 607062 GAINES TWP SEWAGE SERVICE CHARGE	159,856.42
4410 - 607014 MEIJER-ALGOMA SEWAGE SERVICE CHARGE	1,919.34
4423 - 607074 SEWAGE SURCHARGE	1,158,863.55
	<u>\$ 42,782,721.31</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 2009.
- (3) A REVENUE ACCRUAL OF \$282,690 (56,013,832 GALLONS) HAS BEEN PRORATED TO ALL RETAIL CUSTOMER COMMUNITIES HAVING COMMODITY RATES TO ACCRUE BILLINGS FROM THE LAST READING DATE THROUGH JUNE 30, 2009.
- (4) NORTH KENT AND MEIJER-ALGOMA SERVICE AREA VOLUMES OF 572,165,016 AND 1,947,884, RESPECTIVELY, WERE ADJUSTED OUT TO RECOGNIZE SERVICE FOR THOSE AREAS FOR CALENDAR 2010 SHALL BE DONE BY NORTH KENT'S NEW WASTEWATER TREATMENT PLANT.

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
2009 RATE STUDY TASK NO. 6**

VOLUME COMPARISONS FOR FIVE (5) YEARS BY GOVERNMENTAL UNIT (INCLUDING NORTH KENT & MEIJER-ALGOMA)
VOLUME = 1,000 GALLONS

MUNICIPALITY	FY05		FY06		FY07		FY08		FY09		FY05-FY09	
	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE
GRAND RAPIDS	6,125,981	0.55%	6,159,389	0.55%	5,770,856	-6.31%	5,858,480	1.52%	5,461,588	-6.77%	5,461,588	-10.85%
WALKER	791,795	-6.43%	740,908	-6.43%	712,455	-3.84%	731,427	2.66%	676,849	-7.46%	676,849	-14.52%
KENTWOOD	1,032,023	8.69%	1,121,707	8.69%	1,078,991	-3.81%	1,080,423	0.13%	942,037	-12.81%	942,037	-8.72%
CASCADE	342,131	2.46%	350,540	2.46%	347,896	-0.75%	353,527	1.62%	327,208	-7.44%	327,208	-4.36%
GRAND RAPIDS TWP	298,115	7.02%	319,053	7.02%	307,009	-3.77%	321,566	4.74%	309,622	-3.71%	309,622	3.86%
TALLMADGE	10,938	22.56%	13,406	22.56%	11,725	-12.54%	13,339	13.77%	14,664	9.93%	14,664	34.06%
WRIGHT TWP	17,499	-11.23%	15,534	-11.23%	18,511	19.16%	17,254	-6.79%	19,523	13.15%	19,523	11.57%
EAST GRAND RAPIDS	436,613	5.89%	462,344	5.89%	470,257	1.71%	429,912	-8.58%	518,933	20.71%	518,933	18.85%
NORTH KENT AREA *	1,513,329	-0.09%	1,511,948	-0.09%	1,487,393	-1.62%	*	-100.00%	*	N/A	*	N/A
ADA TWP	319,934	2.40%	327,601	2.40%	316,064	-3.52%	320,565	1.42%	337,356	5.24%	337,356	5.45%
GAINES TWP	112,218	-7.82%	103,447	-7.82%	106,535	2.99%	103,612	-2.74%	112,141	8.23%	112,141	-0.07%
MEIJER - ALGOMA *	3,848	68.74%	6,493	68.74%	7,528	15.94%	*	-100.00%	*	N/A	*	N/A
TOTAL	11,004,424	1.16%	11,132,370	1.16%	10,635,220	-4.47%	9,230,105	-13.21%	8,719,921	-5.53%	8,719,921	-20.76%

* Service ended 11/08.

GRAND RAPIDS VOLUME COMPARED TO
CUSTOMER COMMUNITIES

VOLUME = 1,000 GALLONS	FY05		FY06		FY07		FY08		FY09	
	% OF TOTAL	VOL BILLED	% OF TOTAL	VOL BILLED	% OF TOTAL	VOL BILLED	% OF TOTAL	VOL BILLED	% OF TOTAL	
GRAND RAPIDS	55.67%	6,159,389	55.33%	5,770,856	54.26%	5,858,480	63.47%	5,461,588	62.63%	
CUSTOMER COMMUNITIES	44.33%	4,972,981	44.67%	4,864,364	45.74%	3,371,625	36.53%	3,258,333	37.37%	
TOTAL	100.00%	11,132,370	100.00%	10,635,220	100.00%	9,230,105	100.00%	8,719,921	100.00%	

**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	\$ 49,142.52
4410-607001	MISCELLANEOUS SERVICE FEES	-
4410-607057	INDUSTRIAL DISCHARGE AUTHORIZATION	35,486.30
4410-607043	PRELIM/DESIGN/CONSTR ENGINEERING	82,678.30
4410-658002	PAYMENT IN LIEU OF FINES	-
		<u>\$ 167,307.12</u>

CREDIT: UNDERUTILIZATION OF PENALTY CREDIT FROM PREVIOUS YEAR	<u>\$ 25,045.00</u>
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OTHER OPERATING REVENUES NOT INCLUDED:

CAPITAL CONTRIBUTION

4410-607061	SEWAGE FRONT FOOTAGE AUDITOR'S ADJUSTMENT	\$ 104,111.58
		-
		<u>\$ 104,111.58</u>
4410-607059	INTEGRATED SEWER CONNECTION	\$ 627,907.50

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 27, 2009

TO: Linda Wagenmaker
Financial Analyst

FROM: Randy Fisher *Randall Fisher*
Environmental Services Manager

SUBJECT: 2009 SEWER RATE STUDY- TASK #8

No significant changes in operating levels are anticipated to take effect by January 1, 2010, which would require adjustments to operating costs for the test period. Operating costs are anticipated to increase, however, given the start-up of the GVRBA project. The cost increase (\$470,816) is enumerated by line-item of expenditure in my Task #5 memo.

RFLW

srs\stask8 2009

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 27, 2009

TO: Linda Wagenmaker
Financial Analyst

FROM: Randy Fisher *Randy Fisher*
Environmental Services Manager

SUBJECT: **2009 SEWER RATE STUDY- TASK #9**

No significant changes in sewer revenues are anticipated to take effect by January 1, 2010, which would require an adjustment to operating revenue estimates as a whole.

RF/LW

srs\stask9 2009

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 21, 2009

TO: Linda Wagenmaker
Financial Analyst

FROM: Charles R. Schroeder, PE *C. Schroeder*
Hydraulic Engineer

SUBJECT: 2009 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, 2010.

<u>Description</u>	<u>Location</u>	<u>Amount</u>
Chatham St & Jackson St – Straight/Gold	Grand Rapids	\$ 398,984
Bridgewater Place & River House Condos	Grand Rapids	1,453,135
Sheldon Ave - Highland/Delaware	Grand Rapids	531,983
Bona Vista Lift Station & Forcemain	Grand Rapids	1,814,164
Saddleback Trunk Sewer Contract 3	Cascade	1,602,155
Saddleback Trunk Sewer Contract 1 (partial)	Kentwood	2,378,315
Greenridge / Springbrook Sewer (partial)	Walker	535,665
Commerce Ave alley	Grand Rapids	259,691
Monroe Ave- Frank to Palmer	Grand Rapids	688,563
MARB concrete rehabilitation	Integrated	811,037
Aggregate storage building	Grand Rapids	158,648

CRS:ILW

srs\stask10 2009

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

"COMPUTE ACCUMULATED COST, DEPRECIATION AND DEPRECIATION EXPENSE AS OF JUNE 30, 2009"

INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 1,633,122	\$ -	\$ -
LAND IMPROVEMENTS	14,868,609	10,661,420	687,365
BUILDINGS & STRUCTURES	47,778,004	25,065,840	883,529
PROCESS EQUIPMENT	55,510,957	26,036,535	1,337,271
AUXILIARY EQUIPMENT	26,201,716	22,242,779	321,358
MACHINERY & EQUIPMENT	4,867,536	4,226,187	144,624
OFFICE EQUIPMENT & FURNITURE	628,067	616,474	11,554
	<u>\$ 151,488,011</u>	<u>\$ 88,849,235</u>	<u>\$ 3,385,701</u>

NON-INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 1,310,287		
LAND IMPROVEMENTS	2,592,156	363,210	126,170
BUILDINGS & STRUCTURES	8,319,889	1,684,635	160,298
PROCESS EQUIPMENT	14,457,654	3,564,640	417,744
AUXILIARY EQUIPMENT	3,759,586	1,544,208	195,728
MACHINERY & EQUIPMENT	1,517,261	482,411	149,811
OFFICE EQUIPMENT & FURNITURE	68,632	64,057	4,576
SERVICEMAINS - GRAND RAPIDS	275,527,172	65,710,743	5,115,866
SERVICEMAINS - WALKER	37,169,287	10,665,188	732,111
SERVICEMAINS - KENTWOOD	24,915,804	10,358,795	496,825
SERVICEMAINS - CASCADE TWP	17,698,562	5,672,814	361,099
SERVICEMAINS - GRAND RAPIDS TWP	16,912,225	4,889,462	313,545
SERVICEMAINS - TALLMADGE TWP	5,661,019	669,715	113,351
SERVICEMAINS - WRIGHT TWP	125,288	8,770	2,506
	<u>\$ 410,034,822</u>	<u>\$105,678,648</u>	<u>\$ 8,189,630</u>
TOTAL	<u>\$ 561,522,833</u>	<u>\$194,527,883</u>	<u>\$ 11,575,331</u>

SOURCE: FINAL GENERAL LEDGER, AS ADJUSTED, FOR JUNE 30, 2009.

**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, 2009: \$ 1,364,812

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 = \$27,624,515 @ 90/365 = \$ 6,811,524

TOTAL WORKING CAPITAL NEEDS CONSIST OF THE FOLLOWING:

12A INVESTMENT IN INVENTORY	\$ 1,364,812
12B PREPAYMENT OF OPERATING EXPENSES	-
12C 90 DAY OPERATING EXPENSES	6,811,524
	\$ 8,176,336
	\$ 8,176,336

**SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
ZONEGATED FACILITIES
TASK #13
October 27, 2009**

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 2009

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

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

MILLION GALLONS
17,396.10
(988.43)
<u>(7,751.49)</u>
8,676.18

1.) ANNUAL WASTEWATER TREATMENT PLANT FLOW *
LESS: WHOLESALE BILLED FLOW *
LESS: RETAIL BILLED FLOW * Excludes NK & MJR-Aligoma flows

TOTAL RETAIL I/I & OTHER FLOW

2.) RETAIL INFLOW FROM SEPARATED AREAS (A)
RETAIL INFLOW FROM COMBINED AREAS - AMOUNT ESTIMATED (A)
LESS: ANNUAL BYPASS FROM (3) PUMPING STATIONS
LESS: IN-SYSTEM BYPASS & RETENTION BASIN OVERFLOW

TOTAL RETAIL INFLOW

724.77
1,186.81
-
<u>(220.93)</u>
1,690.65
8,676.18
<u>(1,690.65)</u>
6,985.53
<u>(305.87)</u>
6,679.66

3.) RETAIL INFILTRATION:
TOTAL RETAIL I/I & OTHER FLOW
LESS: TOTAL RETAIL INFLOW (#2)

LESS: MARKET AVE RETENTION BASIN (MARB) CAPTURE
TOTAL RETAIL INFILTRATION & OTHER FLOW

4.) ALLOCATION OF RETAIL INFILTRATION & OTHER FLOW - APPORTIONED ON THE BASIS OF B&V SUMMARY OF 1997 MONITORED FLOW DATA (B)

PRORATA SHARE OF RETAIL INFILTRATION & OTHER	MILLION GALLONS
100.0000%	6,679.66
100.0000%	<u>6,679.66</u>

GOVERNMENTAL UNIT(S)
UTILITY PARTNERS
TOTAL

(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)

GOVERNMENTAL UNIT(S) UTILITY PARTNERS GAINES TWP TOTAL	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)
	8,607.78	1,690.65	6,679.66	301.94	17,280.03	99.3328%	47.3425
	112.14	-	-	3.93	116.07	0.6672%	0.3180
	<u>8,719.92</u>	<u>1,690.65</u>	<u>6,679.66</u>	<u>305.87</u>	<u>17,396.10</u>	<u>100.0000%</u>	<u>47.6605</u>

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

MEMORANDUM

CITY OF GRAND RAPIDS

Date: October 30th, 2009

To: Michael Wolski Utility Financial Officer

From: Randall Fisher *Randall Fisher*
Environmental Services Manager

FY09 Wastewater Plant Flow Data (revised)

Listed below is the flow data for the last completed fiscal year. Compared to last years report the plant flow increased by 7.98% from 16,640.68 million gallons treated in FY08 to 17,970.21 million gallons treated in FY09.

Month Data	Total MG
July	1537.67
August	1174.71
September	1712.67
October	1385.16
November	1249.93
December	1566.6
January	1497.95
February	1519.45
March	1711.98
April	1618.68
May	1662.34
June	1333.07
Total	17970.21

Fiscal year data

Wastewater Treatment Plant (WWTP) avg. daily flow (MG)*	49.2335
Rainfall recorded at WWTP (inches)	44.11
In-System overflows (MG) (report attached)	11.716
Market Avenue Retention Basin (MARB) inflow (MG)	515.08
Market Avenue Retention Basin (MARB) overflow (MG)	209.212

*Proforma Total Plant Flow and Average Daily Flow, 17,396.10 MGY and 47.6606 MGD, respectively, as adjusted to eliminate billed flow for North Kent and Meijer Algoma service areas.

Copy Mark DeClercq, City Engineer

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 19, 2009

TO: Linda Wagenmaker
Financial Analyst

FROM: Charles R. Schroeder, PE
Hydraulic Engineer *C. Schroeder*

SUBJECT: **2009 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.

CRS/LW

srs\stask14 2009

**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	\$ 10,632,340	
	- TASK #11	560,717,833	
	- TASK #16/21	<u>(183,183,953)</u>	\$ 388,166,220
LESS: ACCUMULATED DEPRECIATION	- TASK #10	\$ -	
	TASK #11	194,439,535	
	TASK #16/21	<u>(31,983,189)</u>	<u>(162,456,346)</u>
			225,709,874
WORKING CAPITAL REQUIREMENT	- TASK #12	\$ 8,176,336	
			<u>8,176,336</u>
			233,886,210
CONTRIBUTIONS BY OTHERS	- TASK #21	\$ 182,996,591	
LESS: AMORTIZATION		(106,083,185)	
			<u>(76,913,406)</u>
CONSTRUCTION COST RATE BASE			<u><u>\$ 156,972,804</u></u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 27, 2009

TO: Eric R. DeLong
Deputy City Manager

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: **2009 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. 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. Following the prescribed methodology, ***the rates will remain the same for calendar year 2010.*** The Consumer Price Index used to determine rates effective January 1, 2010 is as follows:

August, 2009 Index	215.834
August, 2008 Index	219.086
Increase (decrease)	(3.252)
Percentage increase (decrease)	(1.48%)

LW

Attachment

srs\stask15a 2009

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>1/01/09</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 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 2010 - ACCRUAL BASIS

DATE	SRF/REVENUE REFERENCE	REVENUE BONDS			STATE REVOLVING FUNDS			TOTAL		
		5073-SERIES	PRINCIPAL	INTEREST	EST. FEES	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL & INTEREST
07/01/10	N/A	1998	(1)	\$ 637,674.50	\$ 1,250.00					\$ 638,924.50
01/01/11	N/A	1998	(1)	\$ 1,434,757.50	1,250.00					\$ 1,434,757.50
07/01/10	N/A	2004	(2)	704,250.00	600.00					704,850.00
01/01/11	N/A	2004	(2)	704,250.00	600.00					704,850.00
07/01/10	N/A	2005	(3)	524,400.00	800.00					525,200.00
01/01/11	N/A	2005	(3)	524,400.00	800.00					525,200.00
07/01/10	N/A	2008	(4)	581,750.00	900.00					582,650.00
01/01/11	N/A	2008	(4)	581,750.00	900.00					582,650.00
	N/A	2010	(5)	0.00	0.00					0.00
	N/A	2010	(5)	0.00	1,095,250.00					1,095,250.00
04/01/10	01	1991				\$ 1,400.00	(6)			1,400.00
10/01/10		SRF				2,800.00				2,800.00
04/01/11						1,050.00	(6)			1,050.00
04/01/10	02/03	1992A				805,000.00	(6)			16,625.00
10/01/10		SRF				33,250.00				33,250.00
04/01/11						12,600.00	(6)			12,600.00
04/01/10	04	1992B				2,000.00	(6)			2,000.00
10/01/10		SRF				4,000.00				4,000.00
04/01/11						1,525.00	(6)			1,525.00
04/01/10	06	1993A				590,000.00	(6)			12,125.00
10/01/10		SRF				24,250.00				24,250.00
04/01/11						9,175.00	(6)			9,175.00
04/01/10	07	1993B				515,000.00	(6)			12,275.00
10/01/10		SRF				24,550.00				24,550.00
04/01/11						9,700.00	(6)			9,700.00
04/01/10	08	1994A				610,000.00	(6)			15,250.00
10/01/10		SRF				30,500.00				30,500.00
04/01/11						12,200.00	(6)			12,200.00
04/01/10	10	1994B				222,500.00	(6)			10,675.00
10/01/10		SRF				16,900.00				16,900.00
04/01/11						225,000.00	(6)			8,450.00
04/01/10	11	1995A				115,716.34	(6)			8,326.57
10/01/10		SRF				14,049.52				14,049.52
04/01/11						118,178.39	(6)			7,024.76
04/01/10	12	1995B				185,000.00	(6)			7,790.63
10/01/10		SRF				15,581.25				15,581.25
04/01/11						6,750.00	(6)			6,750.00
									\$5,441,152.23	\$6,319,321.73
									\$11,760,473.96	

(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) DS ON ES CSO PORTION OF ESTIMATED 2010 ISSUE. (\$43.81M)

(6) PRORATED FOR APPLICABLE THREE (3) MONTH PERIOD IN CALENDAR YEAR 2010

**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	\$ 15,990,000
2	SILVER CREEK TRUNK IMPROVEMENTS	5,750,000
3	FULTON/FULLER SANITARY SEWER	4,500,000
4	COLDBROOK CREEK SANITARY SEWER	8,995,000
5	COLLINDALE / VALENTINE LIFT STATION GENERATOR	200,000
6	SOUTH WALKER SANITARY LIFT STATION	400,000
		<u>\$ 35,835,000</u>

NOTE: NONE OF THE PROJECTS ABOVE ARE INCLUDED IN RECOMMENDED REVENUE REQUIREMENTS FOR CALENDAR YEAR 2010.

SOURCE: BLACK & VEATCH AND CHUCK SCHROEDER, HYDRAULIC ENGINEER OCTOBER 2009.

**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
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	\$ 156,972,804
LESS: BONDED INDEBTEDNESS (ACCRUAL) - TASK NO. 17 / 20	(104,229,108)
NET SEWER SYSTEM EQUITY	<u>\$ 52,743,696</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>
09-Oct-08	5.470%	08-Apr-09	4.920%
16-Oct-08	6.010%	16-Apr-09	4.780%
23-Oct-08	5.320%	23-Apr-09	4.570%
30-Oct-08	5.350%	30-Apr-09	4.700%
06-Nov-08	5.240%	07-May-09	4.620%
13-Nov-08	5.140%	14-May-09	4.540%
20-Nov-08	5.130%	21-May-09	4.440%
25-Nov-08	5.390%	28-May-09	4.610%
04-Dec-08	5.580%	04-Jun-09	4.710%
11-Dec-08	5.850%	11-Jun-09	4.860%
18-Dec-08	5.460%	18-Jun-09	4.860%
23-Dec-08	5.330%	25-Jun-09	4.790%
31-Dec-08	5.240%	01-Jul-09	4.810%
08-Jan-09	5.020%	09-Jul-09	4.710%
15-Jan-09	4.800%	16-Jul-09	4.680%
22-Jan-09	5.130%	23-Jul-09	4.690%
29-Jan-09	5.160%	30-Jul-09	4.690%
05-Feb-09	4.960%	06-Aug-09	4.650%
12-Feb-09	4.890%	13-Aug-09	4.650%
19-Feb-09	4.890%	20-Aug-09	4.580%
26-Feb-09	4.870%	27-Aug-09	4.530%
05-Mar-09	4.960%	03-Sep-09	4.370%
12-Mar-09	5.030%	10-Sep-09	4.330%
19-Mar-09	4.980%	17-Sep-09	4.200%
26-Mar-09	5.000%	24-Sep-09	4.040%
02-Apr-09	4.920%	01-Oct-09	3.940%
		<u>52 WEEKS</u>	<u>4.892%</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	\$ 52,743,696	@	5.892%	=	\$ 3,107,659
SEWER SYSTEM INDEBTEDNESS (NON-CSO) IN THE CONSTRUCTION COST RATE BASE					
1998 ISSUE (REFIN. AMT. OF 1990 ISSUE)	15,369,606	@	5.060%	=	777,702
1998 ISSUE	31,975,000	@	5.060%	=	1,617,935
2004 ISSUE	8,375,000	@	4.970%	=	416,238
2005 ISSUE	27,700,000	@	4.900%	=	1,357,300
2008 ISSUE	20,809,502	@	4.920%	=	1,023,827
LESS INTEREST ON BOND RESERVE AND REPLACEMENT ACCOUNTS					(28,188)
	\$ 156,972,804				\$ 8,272,473
COMPOSITE RATE OF RETURN ON INVESTMENT			\$ 8,272,473	=	5.270%
			156,972,804		

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
CONSTRUCTION COST RATE BASE & RETURN ON SYSTEM INVESTMENT- TASK NO. 21- PART1
FISCAL YEAR ENDED JUNE 30, 2009

PHYSICAL LOCATION

DESCRIPTION	RETAIL										WHOLESALE				TOTAL
	INTEGRATED SYSTEM	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	NEUER-ALGOMA		
COST	\$ 152,990,048	\$ 113,904,218	\$ 38,185,153	\$ 24,003,267	\$ 18,343,316	\$ 18,743,333	\$ 4,911,989	\$ 118,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 370,110,754	
LESS: ACCUMULATED DEPRECIATION	\$ 88,849,235	\$ 36,985,495	\$ 10,868,549	\$ 9,209,686	\$ 5,757,337	\$ 4,915,735	\$ 674,175	\$ 33,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,293,457	
NET BOOK VALUE	\$ 63,449,813	\$ 76,518,723	\$ 27,316,604	\$ 14,793,581	\$ 12,585,979	\$ 13,827,598	\$ 4,237,814	\$ 85,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,817,297	
WORKING CAPITAL REQUIREMENT	\$ 4,508,267	\$ 2,216,278	\$ 482,240	\$ 323,374	\$ 218,799	\$ 325,481	\$ 39,901	\$ 33,196	\$ 6,296	\$ 15,290	\$ 6,214	\$ -	\$ -	\$ 8,176,336	
CONTRIBUTIONS	\$ 67,933,080	\$ 76,735,001	\$ 27,798,644	\$ 15,176,955	\$ 12,804,718	\$ 14,158,079	\$ 4,277,715	\$ 118,381	\$ 6,296	\$ 15,290	\$ 6,214	\$ -	\$ -	\$ 220,953,633	
LESS AMORTIZATION	\$ 47,596,435	\$ 52,650,925	\$ 22,719,740	\$ 22,444,326	\$ 16,592,805	\$ 13,592,117	\$ 4,560,073	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,156,421	
CONSTRUCTION COST RATE BASE	\$ (8,020,446)	\$ (38,742,602)	\$ (8,309,300)	\$ (6,009,101)	\$ (5,593,276)	\$ (4,801,740)	\$ (614,113)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (104,790,776)	
RETURN ON INVESTMENT- TASK 20	\$ 3,076,736	\$ 3,416,366	\$ 705,569	\$ 88,627	\$ 95,147	\$ 266,962	\$ 17,483	\$ 6,239	\$ 332	\$ 806	\$ 327	\$ -	\$ -	\$ 7,674,594	
5.270%															

ZONEGATED

COST	\$ -	\$ (1,883,733)	\$ 7,204,310	\$ 2,462,163	\$ 1,889,574	\$ 3,346,035	\$ 746,177	\$ 1,480,943	\$ 287,287	\$ -	\$ 1,601,320	\$ 941,390	\$ -	\$ 18,065,466
LESS: ACCUMULATED DEPRECIATION	\$ -	\$ (610,649)	\$ 1,524,494	\$ 1,177,987	\$ 885,624	\$ 870,326	\$ 40,736	\$ 187,222	\$ 238,875	\$ 447,312	\$ 447,312	\$ 399,962	\$ -	\$ 5,162,889
NET BOOK VALUE	\$ -	\$ (1,273,084)	\$ 5,679,816	\$ 1,284,176	\$ 1,003,950	\$ 2,475,709	\$ 705,441	\$ 1,293,721	\$ 27,412	\$ -	\$ 1,154,008	\$ 541,428	\$ -	\$ 12,892,577
WORKING CAPITAL REQUIREMENT	\$ -	\$ (1,273,084)	\$ 5,679,816	\$ 1,284,176	\$ 1,003,950	\$ 2,475,709	\$ 705,441	\$ 1,293,721	\$ 27,412	\$ -	\$ 1,154,008	\$ 541,428	\$ -	\$ 12,892,577
CONTRIBUTIONS	\$ -	\$ -	\$ 10,609	\$ 1,283,822	\$ 353,550	\$ 133,657	\$ 164	\$ 219	\$ -	\$ -	\$ 204,667	\$ 843,462	\$ -	\$ 2,840,770
LESS AMORTIZATION	\$ -	\$ -	\$ (10,609)	\$ (621,035)	\$ (169,704)	\$ (65,107)	\$ (164)	\$ (219)	\$ -	\$ -	\$ (98,250)	\$ (327,319)	\$ -	\$ (1,292,407)
CONSTRUCTION COST RATE BASE	\$ -	\$ (1,273,084)	\$ 5,679,816	\$ 611,389	\$ (183,846)	\$ (68,550)	\$ (3,945,960)	\$ (118,381)	\$ -	\$ -	\$ (106,437)	\$ (516,143)	\$ -	\$ (1,547,763)
RETURN ON INVESTMENT- TASK 19/21	\$ -	\$ (138,664)	\$ 618,646	\$ 66,592	\$ 89,326	\$ 262,188	\$ 76,837	\$ 140,912	\$ 2,886	\$ -	\$ 114,101	\$ 1,333	\$ -	\$ 1,234,257
10.892%														
RETURN ON INVESTMENT- TASK 19/21	\$ 3,076,736	\$ 3,277,702	\$ 1,324,215	\$ 155,219	\$ 184,473	\$ 528,150	\$ 94,320	\$ 147,151	\$ 3,318	\$ -	\$ 114,907	\$ 1,660	\$ -	\$ 8,908,851
5.270%														

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	RETAIL										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. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIER-ALGOMA		
BT PHYSICAL LOCATION-TASK 11		\$ 157,488.01	\$ 370,330.183	\$ 33,358.522	\$ 24,915.004	\$ 18,330.378	\$ 18,885.614	\$ 6,017.955	\$ 195,248						\$ 5,567,522.833	
ADD. IN SERVICE-TASK 10		5,305.188	(211,573)												10,632,340	
MARKET CONNECTOR AGREEMENT		811.037	(183,163.953)												(865,000)	
TASK 11/0621- CSD PA-INT															(183,183.953)	
LIFT STATIONS / CHAMBERS:																
FULLER-BROOKVIEW	\$ 1,252,893		(609,827)					509,827								
FULTON-MIDDLEBORROW	37,963		(97,407)				37,407									
WEALTHY ST EXT. CHAMBER	68,953		(97,917)				5,443									
MARKET	20,444		(12,121)				47		316							
VANPORTUJET	11,743,953		(17,603,887)				303,795		27,244							
REMEMBRANCE 1/3 MILE	44,816		(238,570)						29,780							
180' RADIUS	1,153,021															
HAYES-EAST	71,058															
HAYES-EAST	14,146															
HAYES-EAST	215,244															
O'BRIEN	548,520															
KINGSBURY	208,900		18,588													
LEONARDO HEIGHTS	122,864															
THORNAPPLE	224,216															
6000 28TH ST (NEW CAS)	111,401															
THORNHILLS	118,407															
ROBINHOOD	178,368															
CASCADE SPRINGS	85,478															
SHOREHAVEN	72,602															
EAGLE CREST	152,332															
GREENBRIER	48,488															
LINCOLN SCHOOL	153,651															
REEDS LAKE	547,802															
KRAFT	72,802															
ORCHARD VISTA	39,712															
BIRD AVE-ALPINE ESTATES	96,639															
EAST PARIS	323,478															
SERVICEMANS																
ADJUSTED BY ZONEGATING																
ZONEGATING ADJUSTMENT																
PHYSICAL LOCATION																
		\$ 152,299.048	\$ 111,629.485	\$ 45,389.463	\$ 25,425.620	\$ 20,220.990	\$ 22,981.938	\$ 3,658.165	\$ 1,589.173	\$ 267,287	\$ 1,601,320	\$ 941,330	\$ 5,567,522.833			
		\$ 1,685,733	\$ 7,204,310	\$ 2,452,163	\$ 1,889,574	\$ 3,345,035	\$ 746,177	\$ 1,480,043	\$ 746,177	\$ 267,287	\$ 1,601,320	\$ 941,330	\$ 18,055,468			
		\$ 152,299.048	\$ 113,504,218	\$ 38,185,153	\$ 24,003,267	\$ 18,343,516	\$ 18,745,333	\$ 4,911,589	\$ 118,220	\$ -	\$ -	\$ -	\$ 370,110,254			

ACCUMULATED DEPRECIATION

BY PHYSICAL LOCATION-TASK 11		\$ 88,849,235	\$ 72,720,471	\$ 11,051,742	\$ 10,358,785	\$ 9,757,537	\$ 5,022,349	\$ 751,586	\$ 36,158	\$ -	\$ -	\$ -	\$ 194,527,883
ADD. IN SERVICE-TASK 10													(88,249)
MARKET CONNECTOR AGREEMENT													(31,883,189)
TASK 11/0621- CSD ACC DEP													
LIFT STATIONS / CHAMBERS:													
FULLER-BROOKVIEW	\$ 418,838		(170,841)				170,841						
FULTON-MIDDLEBORROW	36,523		(85,968)				35,989						
WEALTHY ST EXT. CHAMBER	79,246		(16,507)				940						
MARKET	20,444		(12,454)				47		316				
VANPORTUJET	2,198,835		(6,179,797)				71,630		6,424				
REMEMBRANCE 1/3 MILE	44,816		(6,227)						20,737				
180' RADIUS	122,384												
HAYES-EAST	27,386												
HAYES-EAST	39,570												
HAYES-EAST	172,940												
O'BRIEN	18,616		5,865										
KINGSBURY	8,188												
LEONARDO HEIGHTS	46,419												
THORNAPPLE	7,884												
6000 28TH ST (NEW CAS)	17,840												
THORNHILLS	21,626												
ROBINHOOD	7,260												
CASCADE SPRINGS	10,155												
SHOREHAVEN	1,618												
EAGLE CREST	1,408												
GREENBRIER	24,588												
LINCOLN SCHOOL	7,280												
REEDS LAKE	1,224												
KRAFT	16,107												
ORCHARD VISTA	53,913												
BIRD AVE-ALPINE ESTATES													
EAST PARIS													
SERVICEMANS													
ADJUSTED BY ZONEGATING													
ZONEGATING ADJUSTMENT													
PHYSICAL LOCATION													
		\$ 88,849,235	\$ 36,374,846	\$ 12,580,043	\$ 10,387,673	\$ 9,649,181	\$ 5,786,061	\$ 74,911	\$ 220,367	\$ 238,875	\$ 447,312	\$ 399,952	\$ 162,656,346
		\$ -	\$ (810,649)	\$ 1,524,484	\$ 1,177,987	\$ 885,624	\$ 870,326	\$ 40,736	\$ 187,222	\$ 238,875	\$ 447,312	\$ 399,952	\$ 5,182,893
		\$ 88,849,235	\$ 36,385,495	\$ 10,888,548	\$ 11,209,686	\$ 10,229,686	\$ 6,416,735	\$ 674,175	\$ 30,045	\$ -	\$ -	\$ -	\$ 157,293,457

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
CONTRIBUTIONS & AMORTIZED CONTRIBUTIONS, TASK NO. 21- PART3
FISCAL YEAR ENDED JUNE 30, 2009**

CONTRIBUTIONS BY OTHERS

COST CENTER (LOCATION)	INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	RETAIL					WHOLESALE					TOTAL
					CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR.	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER- ALGONIA		
2008 RATE STUDY (LOCATION)	\$ 47,596,435	\$ 52,544,449	\$ 22,696,702	\$ 22,300,815	\$ 18,148,893	\$ 13,362,506	\$ 4,573,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,242,866
ADDITIONS:															
CONNECTION & FRONT FOOT FEES		106,476	(4,600)	2,536	-	-	-	-	-	-	-	-	-	-	104,112
FIXED ASSET CONTRIBUTIONS		-	27,538	140,975	443,912	209,611	(13,083)	-	-	-	-	-	-	-	809,343
PULASTER CREEK INTERCEPTOR		-	-	1,293,822	353,550	131,827	-	-	-	-	204,687	-	-	-	\$ 180,156,421
GRANT	\$ 2,244,621	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERCEPTOR		-	-	-	-	-	-	-	-	-	-	-	-	-	-
LIFT STATION		-	-	-	-	-	-	-	-	-	-	-	-	-	-
ADJUSTED BY ZONEGATING		-	-	-	-	-	-	-	-	-	-	-	-	-	-
ADJUSTED BY ZONEGATING	\$ 47,596,435	\$ 52,650,925	\$ 22,730,345	\$ 23,738,148	\$ 19,946,355	\$ 13,725,774	\$ 4,560,237	\$ 219	\$ -	\$ -	\$ 204,687	\$ 843,462	\$ -	\$ -	\$ 180,156,421
ZONEGATING ADJUSTMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-
PHYSICAL LOCATION	\$ 47,596,435	\$ 52,650,925	\$ 22,719,740	\$ 22,444,326	\$ 19,592,805	\$ 13,592,117	\$ 4,560,073	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,156,421

AMORTIZED CONTRIBUTIONS

2008 RATE STUDY (LOCATION)	\$ 36,956,666	\$ 7,888,716	\$ 8,563,720	\$ 5,266,059	\$ 4,235,459	\$ 522,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,122,438
CURRENT YEAR ADJUSTMENT	1,063,780	1,053,019	421,084	445,381	327,417	266,281	91,378	-	-	-	-	-	-	-	3,668,340
PULASTER CREEK INTERCEPTOR	\$ 38,020,446	\$ 38,742,602	\$ 8,309,300	\$ 9,018,101	\$ 5,593,476	\$ 4,501,740	\$ 614,113	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,790,778
GRANT		-	-	621,035	169,704	63,277	-	-	-	-	98,250	32,657	-	-	-
INTERCEPTOR		-	-	-	-	-	-	-	-	-	-	-	-	-	-
LIFT STATION		-	-	-	-	-	-	-	-	-	-	-	-	-	-
ADJUSTED BY ZONEGATING		-	-	-	-	-	-	-	-	-	-	-	-	-	-
ADJUSTED BY ZONEGATING	\$ 38,020,446	\$ 38,742,602	\$ 8,319,309	\$ 9,630,136	\$ 5,763,180	\$ 4,566,847	\$ 614,277	\$ 219	\$ -	\$ -	\$ 98,250	\$ 327,319	\$ -	\$ -	\$ 104,790,778
ZONEGATING ADJUSTMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-
PHYSICAL LOCATION	\$ 38,020,446	\$ 38,742,602	\$ 8,309,300	\$ 9,009,101	\$ 5,593,476	\$ 4,501,740	\$ 614,113	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,790,778

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
RECONCILIATION OF CONSTRUCTION COST & ACCUMULATED DEPRECIATION- PHYSICAL LOCATION & ZONEGATING
FISCAL YEAR ENDED JUNE 30, 2009

COST CENTER	AMOUNT	INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	RETAIL			WHOLESALE			TOTAL	
						CITY OF CASCADE	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF N. KENT AREA	AUA TOWNSHIP		GAINES TOWNSHIP
CONSTRUCTION COST- BY PHYSICAL LOCATION:													
BY PHYSICAL LOCATION- TASK 11		\$ 151,488,011		\$37,182,287	\$24,915,804	\$17,888,582	\$16,912,225	\$5,861,019	\$ 125,288	\$ -	\$ -	\$ -	\$ 551,522,833
IN SERVICE- TASK 10		811,037		535,685	2,378,315	1,802,195	-	(915,311)	(78,116)	-	-	-	10,632,340
WARE CONNECTOR AGREEMENT													(605,000)
TASK 11/1621- CSO COST													(183,183,953)
O'BRIEN													
VANPORTFLEET													
REMEMBRANCE /3 MILE													
16th AVENUE													
HAYES- WEST													
HAYES- EAST													
KINGSBURY													
LEONARD HEIGHTS													
6000 28TH ST (NEW CAS)													
THORNAPPLE													
ROBINHOOD													
CASCADE SPRINGS													
SHOREHAVEN													
EAGLECREST													
GREENRIER (NEW GRT)													
LINCOLN SCHOOL (NEW GRT)													
REEDS LAKE (NEW GRT-110)													
KRAFT													
ORCHARD VISTA (NEW CAS)													
BIRD AVE-ALPINE ESTATES													
EAST PARIS													
SERVICE MAINS													
LESS: SERVICE MAINS- TOTAL SUBS- PHY. LOC.													(2,820,868)
ADD: SERVICE MAINS- TOTAL ADDS- PHY. LOC.													24,864,881
TOTAL- PHYSICAL LOCATION COST		\$ 152,299,048	\$ 119,504,217	\$38,165,153	\$24,003,267	\$18,343,516	\$16,745,339	\$4,911,989	\$ 118,230	\$ -	\$ -	\$ -	\$ 370,110,753

COST CENTER	AMOUNT	INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	RETAIL			WHOLESALE			TOTAL	
						CITY OF CASCADE	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF N. KENT AREA	AUA TOWNSHIP		GAINES TOWNSHIP
CONSTRUCTION COST- ZONEGATING:													
LIFT STATIONS / CHAMBERS:													
FULLER-BROOKVIEW	1,252,893												
FULTON- MIDDLEBORROW	37,983												
WEALTHY ST EXT. CHAMBER	458,958												
MARKET	20,444												
VANPORTFLEET	11,743,183												
REMEMBRANCE /3 MILE	44,816												
16th AVENUE	1,185,021												
HAYES- WEST	71,058												
HAYES- EAST	215,841												
O'BRIEN	546,532												
KINGSBURY	289,902												
LEONARD HEIGHTS	122,984												
THORNAPPLE	224,216												
6000 28TH ST (NEW CAS)	111,401												
ROBINHOOD	178,389												
CASCADE SPRINGS	65,478												
SHOREHAVEN	72,802												
EAGLECREST	152,332												
GREENRIER (NEW GRT)	48,486												
LINCOLN SCHOOL (NEW GRT)	153,651												
REEDS LAKE (NEW GRT-110)	947,802												
KRAFT	72,602												
ORCHARD VISTA (NEW CAS)	39,712												
BIRD AVE-ALPINE ESTATES	86,639												
EAST PARIS	323,478												
SERVICE MAINS													
LESS: SERVICE MAINS- TOTAL SUBS- PHY. LOC.													(2,820,868)
ADD: SERVICE MAINS- TOTAL ADDS- PHY. LOC.													24,864,881
TOTAL- ZONEGATED COST		\$ 152,299,048	\$ 119,504,217	\$38,165,153	\$24,003,267	\$18,343,516	\$16,745,339	\$4,911,989	\$ 118,230	\$ -	\$ -	\$ -	\$ 370,110,753

COST CENTER	AMOUNT	INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	RETAIL			WHOLESALE			TOTAL	
						CITY OF CASCADE	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF N. KENT AREA	AUA TOWNSHIP		GAINES TOWNSHIP
SERVICE MAINS- ZONEGATED COST													
TOTAL- ZONEGATED COST		\$ 152,299,048	\$ 119,504,217	\$38,165,153	\$24,003,267	\$18,343,516	\$16,745,339	\$4,911,989	\$ 118,230	\$ -	\$ -	\$ -	\$ 370,110,753
GRAND TOTAL- COST		\$ 152,299,048	\$ 111,670,484	\$45,369,453	\$28,486,430	\$20,233,090	\$22,091,368	\$5,688,166	\$ 1,598,173	\$ -	\$ -	\$ -	\$ 388,165,219

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
RECONCILIATION OF CONSTRUCTION COST & ACCUMULATED DEPRECIATION- PHYSICAL LOCATION & ZONEGATING
FISCAL YEAR ENDED JUNE 30, 2009

COST CENTER	AMOUNT	RETAIL										WHOLESALE			TOTAL		
		INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CITY OF CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MELVER-ALGONA			
BY PHYSICAL LOCATION- TASK 11	\$ 86,849,235	\$ 73,413,904	\$ 10,685,188	\$ 10,536,795	\$ 5,672,614	\$ 4,888,462	\$ 668,715	\$ 8,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,527,883
IN SERVICE- TASK 10	-	(78,693)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(88,348)
MARNE CONNECTOR AGREEMENT	-	(31,993,189)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(31,993,189)
TASK 11\1921- CSO ACC. DEPRECIATION	-	(172,340)	172,340	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O'BRIEN	-	(44,816)	44,816	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VANPORTFLET	-	(122,384)	122,384	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REMEMBRANCE / 3 MILE	-	(27,398)	27,398	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16th AVENUE	-	(42,311)	42,311	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- WEST	-	(39,570)	39,570	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- EAST	-	(18,816)	18,816	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KINGSBURY	-	(8,198)	8,198	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEONARD HEIGHTS	-	(46,419)	46,419	-	-	-	-	-	-	-	-	-	-	-	-	-	-
THORNAPPLE	-	(7,894)	7,894	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8000 28TH ST. (NEW CAS)	-	(17,840)	17,840	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ROBINHOOD	-	(21,826)	21,826	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASCADE SPRINGS	-	(7,280)	7,280	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SHOREHAVEN	-	(10,155)	10,155	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAGLECREST	-	(1,916)	1,916	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GREENRIER (NEW GRT)	-	(1,408)	1,408	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LINCOLN SCHOOL (NEW GRT)	-	(24,588)	24,588	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REEDS LAKE (NEW GRT-110)	-	(7,280)	7,280	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KRAFT	-	(1,324)	1,324	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ORCHARD VISTA (NEW CAS)	-	(16,107)	16,107	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BIRD AVE-ALPINE ESTATES	-	(53,913)	53,913	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAST PARIS	-	(18,062,244)	18,062,244	(1,358,652)	(1,981,794)	(68,343)	(106,747)	(70,860)	-	-	-	-	-	-	-	-	(11,628,630)
LESS: SERVICE MAINS- TOTAL SUBS- PHY. LOC.	-	4,388,159	1,175,159	832,655	68,343	138	138	138	-	-	-	-	-	-	-	-	6,485,739
ADD: SERVICE MAINS- TOTAL ADOS- PHY. LOC.	-	\$ 36,985,495	\$ 10,868,548	\$ 9,209,686	\$ 5,757,537	\$ 4,915,735	\$ 674,174	\$ 33,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,293,455
	\$ 88,849,235	\$ 36,985,495	\$ 10,868,548	\$ 9,209,686	\$ 5,757,537	\$ 4,915,735	\$ 674,174	\$ 33,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,656,344

COST CENTER	AMOUNT	RETAIL										WHOLESALE			TOTAL		
		INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CITY OF CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MELVER-ALGONA			
ACCUMULATED DEPRECIATION- ZONEGATED																	
LIFT STATIONS (CHAMBERS:	\$ 419,689	(170,841)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FULLER BROOK (NEW)	36,523	(30,969)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FULTON- MIDDLEBORO	79,246	(19,907)	15,287	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HEALTHY ST EXT. CHAMBER	20,444	(12,484)	12,121	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MARKET	2,769,835	(501,797)	415,187	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VANPORTFLET	44,816	6,227	(23,813)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REMEMBRANCE / 3 MILE	122,384	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16th AVENUE	27,398	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- WEST	42,311	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- EAST	39,570	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KINGSBURY	18,816	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O'BRIEN	8,198	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEONARD HEIGHTS	46,419	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8000 28TH ST (NEW CAS)	17,840	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ROBINHOOD	21,826	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASCADE SPRINGS	7,280	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SHOREHAVEN	10,155	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAGLECREST	1,916	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GREENRIER (NEW GRT)	1,408	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LINCOLN SCHOOL (NEW GRT)	24,588	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REEDS LAKE (NEW GRT-110)	7,280	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KRAFT	1,324	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ORCHARD VISTA (NEW CAS)	16,107	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BIRD AVE-ALPINE ESTATES	53,913	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAST PARIS	18,062,244	116,257	1,126,423	1,177,897	865,624	591,886	63,261	115,302	239,875	-	447,312	399,962	-	-	-	-	5,162,889
SERVICE MAINS- ZONEGATED ACC. DEPRECIATION		\$ (610,646)	\$ 1,574,684	\$ 1,177,997	\$ 855,524	\$ 870,236	\$ 40,796	\$ 187,222	\$ 239,875	\$ -	\$ 447,312	\$ 399,962	\$ -	\$ -	\$ -	\$ -	\$ 5,162,889
TOTAL ZONEGATED ACC. DEPRECIATION	\$ 88,849,235	\$ 36,374,846	\$ 12,993,042	\$ 10,387,673	\$ 6,643,161	\$ 5,786,061	\$ 714,910	\$ 220,267	\$ 239,875	\$ -	\$ 447,312	\$ 399,962	\$ -	\$ -	\$ -	\$ -	\$ 162,656,344

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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, 2009**

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	GAINES TOWNSHIP	MEYER-ALGOMA						
WASTEWATER TREATMENT	\$ 13,512,514	\$ 13,512,514																		
LIFT STATIONS:																				
A. INTERCEPTOR	370,510		303,362	55,558		61,525	3,195		9,585			860								
B. TRUNK	204,062		52,659	89,181		206,914	73,452		38,679			3,348								
C. LOCAL COLLECTOR	595,714		83,558	60,530		785,196	375,765		276,763			36,955			12,970					
SEWER LINES:																				
A. INTERCEPTOR	382,587		260,051	57,826		27,750														
B. TRUNK	840,022		274,838	218,179		206,914	73,452		41,850			23,781								
C. LOCAL COLLECTOR	6,328,142		3,988,758	785,196		615,475	375,765		474,574			70,432								
D. ZONEGATING			(185,822)	40,005		(35,971)	55,049		52,612			(14,792)								
BULK METERING STATIONS	13,524					2,750														
CUSTOMER ACCOUNTING *	2,749,123		2,181,153	203,353		161,576	62,048		127,917			4,426								
INDUSTRIAL PRETREATMENT	601,274																			
SUBTOTAL OPERATING EXPENSE	25,697,482	14,113,788	6,938,557	1,509,828	1,012,369	1,022,080	684,943	1,022,080	125,020	19,709	47,800	19,353								
ADMINISTRATIVE EXPENSE	2,027,033	1,117,653	549,455	119,562	80,168	80,937	54,240	80,937	9,900	1,561	3,785	1,533								
TOTAL	\$ 27,624,515	\$ 15,231,441	\$ 7,488,013	\$ 1,629,390	\$ 1,092,537	\$ 1,103,017	\$ 739,183	\$ 1,103,017	\$ 134,920	\$ 21,270	\$ 51,585	\$ 20,886	\$	\$	\$	\$	\$	\$	\$	\$

* 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:		
A. INTERCEPTORS (54)		
B. TRUNK (1)		
C. LOCAL (8)		
(45)		
SEWER LINES:		
TOTAL MILES: 898.43		
A. INTERCEPTOR	100.000%	100.000%
MILES 45.52		
B. TRUNK LINES	100.000%	100.000%
MILES 99.95		
C. LOCAL COLLECTOR	100.000%	100.000%
MILES 752.96		
D. ZONEGATING		
BULK METERING STATIONS		
MILES (4)		
CUSTOMER ACCTG.(1)	100.000%	100.000%
NO. OF METERS 73,843.00		
INDUSTRIAL PRETREATMENT	100.000%	100.000%
ADMINISTRATIVE EXPENSE (2)	100.000%	55.138%

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	\$ 28,557,247	72.7056%	\$ 139,851
CITY OF WALKER	3,857,300	9.8205%	18,890
CITY OF KENTWOOD	2,717,460	6.9186%	13,308
CASCADE TOWNSHIP	1,731,981	4.4096%	8,482
GRAND RAPIDS TOWNSHIP	1,929,135	4.9115%	9,447
TALLMADGE TOWNSHIP	226,627	0.5770%	1,110
WRIGHT TOWNSHIP	258,127	0.6572%	1,264
	<u>\$ 39,277,877</u>	<u>100.0000%</u>	<u>\$ 192,352</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, 2009

DEPRECIATION EXPENSE	RETAIL				WHOLESALE				TOTAL	
	CITY OF GR	CITY OF KENTWOOD	CITY OF WALKER	CITY OF EAST GR	CITY OF GR	CITY OF ADA TOWNSHIP	CITY OF N. KENT AREA	CITY OF GAINES TOWNSHIP		MELIER-ALGOMA
BY PHYSICAL LOCATION- TASK 11										
ADD: IN SERVICE- TASK 10										
MARNE CONNECTOR AGREEMENT										
LESS: TASK 11/16/21- CSO DEP. EXP.										
LIFT STATIONS / CHAMBERS:										
FULLER-BROOKVIEW										
FULTON- MIDDLEBORROW										
WEALTHY ST. EXT. CHAMBER										
WEALTHY MARKET										
MARKET										
VANPORT/FLUET										
REMEMBRANCE / 3 MILE										
O'BRIEN										
KINGSBURY										
LEONARD HEIGHTS										
THORNAPPLE										
6000 28TH ST (NEW CAS)										
THORNHILLS										
ROBINHOOD										
CASCADE SPRINGS										
SHOREHAVEN										
EAGLECREST										
GREENBRIER										
LINCOLN SCHOOL										
REEDS LAKE										
KRAFT										
ORCHARD VISTA										
16TH AVE										
HAYES- WEST										
HAYES- EAST										
BIRD AVE-ALPINE ESTATES										
EAST PARIS										
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, 2009**

	RETAIL										WHOLESALE					TOTAL
	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CITY OF CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER-ALGOMA				
COST CENTER																
OPERATION & MAINTENANCE																
EXPENSE-TASK NO. 22	\$ 15,231,441	\$ 1,629,390	\$ 1,092,537	\$ 739,183	\$ 1,103,017	\$ 134,920	\$ 112,273	\$ 21,270	\$ -	\$ 51,585	\$ 20,886	\$ -	\$ -	\$ -	\$ 27,624,515	
DEPRECIATION EXPENSE	2,348,956	538,236	95,801	92,210	182,890	29,189	46,176	4,083	-	31,686	3,206	-	-	-	4,538,170	
RETURN ON SYSTEM INVESTMENT	3,076,736	1,324,215	155,219	184,473	529,150	94,320	147,151	3,318	-	114,907	1,660	-	-	-	8,908,851	
TASK NO. 21	(139,851)	(18,890)	(13,308)	(8,432)	(9,447)	(1,110)	(1,264)								(192,352)	
REVENUE CREDITS- TASK NO. 23	11,760,474														11,760,474	
CSO DEBT SERVICE REQUIREMENTS																
ALLOCATE:																
INTEGRATED CONN. FEE CREDIT	(384,066)	(57,510)	(70,644)	(37,191)	(28,075)	(2,610)	(1,870)	(25,794)	-	(20,148)	-	-	-	-	(627,908)	
INTEGRATED SYSTEM (A)	12,550,828	1,879,358	2,308,587	1,215,364	917,445	85,310	61,080	842,927	-	658,410	137,824	-	-	-	-	
LESS: CIRCUIT BREAKER (B)	-	(211,288)	(142,981)	(18,473)	(164,071)	(29,706)	(66,806)								(633,326)	
	\$ -	\$ 5,083,510	\$ 3,425,211	\$ 2,167,084	\$ 2,530,909	\$ 310,313	\$ 296,740	\$ 845,804	\$ -	\$ 836,410	\$ 163,576	\$ -	\$ -	\$ -	\$ 51,378,424	

(A) ALLOCATED TO CUSTOMER COMMUNITIES UNDER OLD CONTRACT BASIS OF PLANT FLOW. REMAINING ALLOCATION TO LAB 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.

	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CITY OF CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER-ALGOMA	TOTAL
OLD METHOD- PLANT FLOW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NEW METHOD- PLANT FLOW / LAND	\$ 12,550,828	\$ 1,879,358	\$ 2,308,587	\$ 1,215,364	\$ 917,445	\$ 85,310	\$ 61,080	\$ 842,927	\$ -	\$ 658,410	\$ 137,824	\$ -	\$ 20,519,309
	\$ 12,550,828	\$ 1,879,358	\$ 2,308,587	\$ 1,215,364	\$ 917,445	\$ 85,310	\$ 61,080	\$ 842,927	\$ -	\$ 658,410	\$ 137,824	\$ -	\$ 20,657,133

**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.

	<u>YEAR ENDED 6/30/09</u>	<u>PRO FORMA *</u>
REVENUES:		
RETAIL/WHOLESALE SEWAGE SERVICE	\$ 41,623,857	\$ 47,568,381
CONNECTION FEES/FRONT FOOT FEES	732,020	732,020
ENGINEERING FEES	82,678	82,678
SEWAGE SURCHARGES	1,158,864	1,158,864
OTHER OPERATING REVENUES	84,629	84,629
INTEREST ON INVESTMENTS	516,566	516,566
MISCELLANEOUS	100,885	100,885
TOTAL REVENUES	<u>\$ 44,299,499</u>	<u>\$ 50,244,023</u>
OPERATING EXPENSES:		
OPERATIONS & MAINTENANCE	\$ 25,769,426	\$ 26,027,120
DEPRECIATION	11,575,332	11,575,332
TOTAL EXPENSES	<u>\$ 37,344,758</u>	<u>\$ 37,602,452</u>
ADDITIONS: DEPRECIATION	<u>11,575,332</u>	<u>11,575,332</u>
NET EARNINGS OF THE SYSTEM	<u>\$ 18,530,073</u>	<u>\$ 24,216,903</u>
DEBT SERVICE (CASH BASIS)		
SERIES 2008 BONDS	\$ 1,293,576	\$ 4,396,638
SERIES 2005 BONDS	2,949,869	2,956,319
SERIES 2004 BONDS	1,992,025	1,991,625
SERIES 1998 BONDS	5,900,813	5,903,743
TOTAL SENIOR DEBT SERVICE	<u>12,136,283</u>	<u>15,248,325</u>
SRF DEBT (JUNIOR LIEN)	<u>3,881,234</u>	<u>3,885,876</u>
	<u>\$ 16,017,517</u>	<u>\$ 19,134,201</u>
COVERAGE RATIO - SENIOR DEBT	<u>1.53</u>	<u>1.59</u>
COVERAGE RATIO - ALL DEBT	<u>1.16</u>	<u>1.27</u>

* SEWAGE SERVICES ADJUSTED FOR RATE REVISIONS OF 14.69% AND 14.04% EFFECTIVE 1/1/09 AND 1/1/10, RESPECTIVELY.

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SUMMARY

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

INITIAL SYSTEM REVENUE REQUIREMENTS		\$ 52,011,750
CURRENT REVENUES		
REU CHARGE	\$ 229,729	
MONTHLY METER CHARGE	11,418,147	
MONTHLY BILLING CHARGE	3,021,271	
COMMODITY CHARGE	<u>30,383,344</u>	<u>(45,052,491)</u>
INITIAL REQUIRED REVENUE INCREASE (DECREASE)		<u>\$ 6,959,259</u>
INITIAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>15.45%</u>
INITIAL SYSTEM REVENUE REQUIREMENTS FROM ABOVE		\$ 52,011,750
LESS: AMOUNT OF CIRCUIT BREAKER RELIEF TO REDUCE RR's TO RETAIL		<u>(633,326)</u>
SYSTEM REVENUE REQUIREMENTS		<u>\$ 51,378,424</u>
ACTUAL REQUIRED AMOUNT OF REVENUE INCREASE (DECREASE)		<u>\$ 6,325,933</u>
ACTUAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>14.04%</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	54,404	54,404	4,870	4,870	3,343	3,343	1,235	1,235	3,095	3,095	98	98	-	-
B 1"	1.7778	2,327	4,137	354	629	478	850	217	386	228	405	13	23	-	-
C 1 1/4"	2.7778	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D 1 1/2"	4.0000	890	3,560	135	540	306	1,224	142	568	68	272	3	12	-	-
E 2"	7.1111	776	5,518	86	612	181	1,287	65	462	36	256	2	14	-	-
F 3"	16.0000	87	1,392	8	128	18	288	6	96	6	96	2	32	-	-
G 4"	28.4444	84	2,389	7	199	14	398	2	57	3	85	1	28	-	-
H 6" and over	64.0000	18	1,152	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	230	361.687
TOTAL		58,586	72,552	5,462	7,106	4,343	7,582	1,667	2,804	3,436	4,209	119	207	230	361.687

* Source: Grand Rapids Water/Sewage Meter/User Quantity Report, October 26, 2009.

CITY OF GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS \$ 35,718,837

CURRENT REVENUES

MONTHLY METER CHARGE

72,552 meter equivalents x \$ 8.29 x 12 = \$ 7,217,473

MONTHLY BILLING CHARGE

58,586 meters x \$ 3.28 x 12 = 2,305,945

COMMODITY CHARGE

7,301,588 units (100 CF) x \$ 3.03 = 22,123,812 (31,647,230)

REQUIRED REVENUE INCREASE (DECREASE) \$ 4,071,607

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 12.87%

CITY OF GRAND RAPIDS, MICHIGAN

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

COMMODITY CHARGE:

$$\frac{\text{INTEGRATED SYSTEM COST}}{\text{BILLED UNITS}} = \frac{\$24,311,302}{7,301,588} = \underline{\underline{\$ 3.33 /100 CF *}}$$

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS			\$ 35,718,837
NEW COMMODITY CHARGE			
7,301,588 x \$ 3.33		\$ 24,314,288	
NEW MONTHLY BILLING CHARGE			
58,586 x \$ 3.10 x 12		<u>2,179,399</u>	<u>(26,493,687)</u>
			<u>\$ 9,225,150</u>

$$\text{MONTHLY METER CHARGE} = \frac{\$9,225,150}{72,552 \times 12} = \underline{\underline{\$ 10.60 \text{ MONTHLY}}}$$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 10.60	\$ 3.10	\$ 13.70	\$ 11.57
1"	1.7778	18.84	3.10	21.94	18.02
1 1/4"	2.7778	29.44	3.10	32.54	26.31
1 1/2"	4.0000	42.40	3.10	45.50	36.44
2"	7.1111	75.38	3.10	78.48	62.23
3"	16.0000	169.60	3.10	172.70	135.92
4"	28.4444	301.51	3.10	304.61	239.08
6" and over	64.0000	678.40	3.10	681.50	533.84

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

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

SYSTEM REVENUE REQUIREMENTS * \$ 5,083,510

CURRENT REVENUES

MONTHLY METER CHARGE

7,106 meter equivalents x \$ 23.06 x 12 = \$ 1,966,372

MONTHLY BILLING CHARGE

5,462 meters x \$ 3.28 x 12 = 214,984

COMMODITY CHARGE

904,878 units (100 CF) x \$ 2.36 = 2,135,512 (4,316,868)

REQUIRED REVENUE INCREASE (DECREASE) \$ 766,642

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 17.76%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 211,289

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.78 /100 CF *
 \$ 2.36 x 117.76%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 5,083,510
NEW COMMODITY CHARGE		
904,878 x \$ 2.78		\$ 2,515,561
NEW MONTHLY BILLING CHARGE		
5,462 x \$ 3.10 x 12	203,186	(2,718,747)
		<u>\$ 2,364,763</u>

MONTHLY METER CHARGE = $\frac{\$2,364,763}{7,106 \times 12} = \underline{\underline{\$ 27.73 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 27.73	\$ 3.10	\$ 30.83	\$ 26.34
1"	1.7778	49.30	3.10	52.40	44.28
1 1/4"	2.7778	77.03	3.10	80.13	67.34
1 1/2"	4.0000	110.92	3.10	114.02	95.52
2"	7.1111	197.19	3.10	200.29	167.26
3"	16.0000	443.68	3.10	446.78	372.24
4"	28.4444	788.76	3.10	791.86	659.21
6" and over	64.0000	1,774.72	3.10	1,777.82	1,479.12

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 211,289

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

SYSTEM REVENUE REQUIREMENTS * \$ 3,425,211

CURRENT REVENUES

MONTHLY METER CHARGE

7,582 meter equivalents x \$ 2.68 x 12 = \$ 243,837

MONTHLY BILLING CHARGE

4,343 meters x \$ 3.28 x 12 = 170,940

COMMODITY CHARGE

1,259,408 units (100 CF) x \$ 1.98 = 2,493,628 (2,908,405)

REQUIRED REVENUE INCREASE (DECREASE) \$ 516,806

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 17.77%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 142,981

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.33 /100 CF *
 \$ 1.98 x 117.77%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 3,425,211
NEW COMMODITY CHARGE		
1,259,408 x \$ 2.33		\$ 2,934,421
NEW MONTHLY BILLING CHARGE		
4,343 x \$ 3.10 x 12	161,560	(3,095,981)
		\$ 329,230

MONTHLY METER CHARGE = $\frac{\$329,230}{7,582 \times 12} = \underline{\underline{\$ 3.62 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 3.62	\$ 3.10	\$ 6.72	\$ 5.96
1"	1.7778	6.44	3.10	9.54	8.04
1 1/4"	2.7778	10.06	3.10	13.16	10.72
1 1/2"	4.0000	14.48	3.10	17.58	14.00
2"	7.1111	25.74	3.10	28.84	22.34
3"	16.0000	57.92	3.10	61.02	46.16
4"	28.4444	102.97	3.10	106.07	79.51
6" and over	64.0000	231.68	3.10	234.78	174.80

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 142,981

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

SYSTEM REVENUE REQUIREMENTS *	\$ 2,167,084
LESS: CASH CONTRIBUTION	-
SYSTEM REVENUE REQUIREMENTS	\$ 2,167,084

CURRENT REVENUES

MONTHLY METER CHARGE	
2,804 meter equivalents	x \$ 24.36 x 12 = \$ 819,665
MONTHLY BILLING CHARGE	
1,667 meters	x \$ 3.28 x 12 = 65,613
COMMODITY CHARGE	
437,444 units (100 CF)	x \$ 2.25 = <u>984,249</u>
	<u>(1,869,527)</u>
REQUIRED REVENUE INCREASE (DECREASE)	\$ 297,557

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES	15.92%
--	--------

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 18,473

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.61 /100 CF *
 \$ 2.25 x 115.92%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 2,167,084
NEW COMMODITY CHARGE		
437,444 x \$ 2.61		\$ 1,141,729
NEW MONTHLY BILLING CHARGE		
1,667 x \$ 3.10 x 12	62,012	(1,203,741)
		\$ 963,343

MONTHLY METER CHARGE = $\frac{\$963,343}{2,804 \times 12}$ = \$ 28.63 MONTHLY

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 28.63	\$ 3.10	\$ 31.73	\$ 27.64
1"	1.7778	50.90	3.10	54.00	46.59
1 1/4"	2.7778	79.53	3.10	82.63	70.95
1 1/2"	4.0000	114.52	3.10	117.62	100.72
2"	7.1111	203.59	3.10	206.69	176.51
3"	16.0000	458.08	3.10	461.18	393.04
4"	28.4444	814.36	3.10	817.46	696.19
6" and over	64.0000	1,832.32	3.10	1,835.42	1,562.32

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 18,473

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

SYSTEM REVENUE REQUIREMENTS * \$ 2,530,909

CURRENT REVENUES

MONTHLY METER CHARGE

4,209 meter equivalents x \$ 21.86 x 12 = \$ 1,104,105

MONTHLY BILLING CHARGE

3,436 meters x \$ 3.28 x 12 = 135,241

COMMODITY CHARGE

413,933 units (100 CF) x \$ 2.14 = 885,817 (2,125,163)

REQUIRED REVENUE INCREASE (DECREASE) \$ 405,746

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 19.09%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 164,071

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.55 /100 CF *
 \$ 2.14 x 119.09%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **	\$ 2,530,909
NEW COMMODITY CHARGE 413,933 x \$ 2.55	\$ 1,055,529
NEW MONTHLY BILLING CHARGE 3,436 x \$ 3.10 x 12	<u>127,819</u>
	<u>(1,183,348)</u>
	<u>\$ 1,347,561</u>

MONTHLY METER CHARGE = $\frac{\$1,347,561}{4,209 \times 12} = \underline{\underline{\$ 26.68 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 26.68	\$ 3.10	\$ 29.78	\$ 25.14
1"	1.7778	47.43	3.10	50.53	42.14
1 1/4"	2.7778	74.11	3.10	77.21	64.00
1 1/2"	4.0000	106.72	3.10	109.82	90.72
2"	7.1111	189.72	3.10	192.82	158.73
3"	16.0000	426.88	3.10	429.98	353.04
4"	28.4444	758.90	3.10	762.00	625.07
6" and over	64.0000	1,707.52	3.10	1,710.62	1,402.32

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 164,071

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

SYSTEM REVENUE REQUIREMENTS *	\$	310,313
LESS: CASH CONTRIBUTION		-
SYSTEM REVENUE REQUIREMENTS	\$	<u>310,313</u>

CURRENT REVENUES

MONTHLY METER CHARGE		
207 meter equivalents	x \$ 26.85	x 12 = \$ 66,695
MONTHLY BILLING CHARGE		
119 meters	x \$ 3.28	x 12 = 4,684
COMMODITY CHARGE		
19,605 units (100 CF)	x \$ 9.45	= <u>185,267</u> <u>(256,646)</u>
REQUIRED REVENUE INCREASE (DECREASE)		<u>\$ 53,667</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>20.91%</u>

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 29,706

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

SYSTEM REVENUE REQUIREMENTS *	\$	296,740
LESS: CASH CONTRIBUTION		(17,000)
SYSTEM REVENUE REQUIREMENTS	\$	<u>279,740</u>

CURRENT REVENUES

REU CHARGE		
361,687 meter equivalents	x \$ 52.93	x 12 = \$ 229,729
MONTHLY METER CHARGE		
361,687 meter equivalents	x \$ -	x 12 = -
MONTHLY BILLING CHARGE		
230 meters	x \$ -	x 12 = -
COMMODITY CHARGE		
26,100 units (100 CF)	x \$ -	= <u>-</u> (229,729)
REQUIRED REVENUE INCREASE (DECREASE)		<u>\$ 50,011</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>21.77%</u>

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 66,806

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

MONTHLY REU CHARGE:

$$\frac{\text{SYSTEM REVENUE REQUIREMENTS **}}{\text{TOTAL REU'S * 12 MONTHS}} = \frac{\$279,740}{361.687 \times 12} = \$ \underline{\underline{64.45}} \quad \text{MONTHLY REU CHARGE *}$$

SYSTEM REVENUE REQUIREMENTS ARE NET OF CONTRIBUTION OF \$ 17,000

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	\$ 64.45	7.5000	\$ 483.38	19.0000	\$ 1,224.55
1.5000	96.68	8.0000	515.60	20.0000	1,289.00
2.0000	128.90	8.5000	547.83	25.0000	1,611.25
2.5000	161.13	9.0000	580.05	30.0000	1,933.50
3.0000	193.35	9.5000	612.28	35.0000	2,255.75
3.5000	225.58	10.0000	644.50	40.0000	2,578.00
4.0000	257.80	11.0000	708.95	50.0000	3,222.50
4.4000	283.58	12.0000	773.40	60.0000	3,867.00
4.5000	290.03	13.0000	837.85	70.0000	4,511.50
5.0000	322.25	14.0000	902.30	80.0000	5,156.00
5.5000	354.48	15.0000	966.75	90.0000	5,800.50
6.0000	386.70	16.0000	1,031.20	100.0000	6,445.00
6.5000	418.93	17.0000	1,095.65	150.0000	9,667.50
7.0000	451.15	18.0000	1,160.10	200.0000	12,890.00

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 66,806

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$	817,133
COMMODITY CHARGE			
518.933 units	x	\$	1,538.00
			798,119
			<hr/>
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)		\$	<u>19,014</u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$	28,671
MONTHLY SERVICE CHARGE			
\$1,865	x		12 MONTHS
			22,380
			<hr/>
REQUIRED SERVICE REVENUE INCREASE (DECREASE)		\$	<u>6,291</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>3.08%</u>

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS	\$ 845,804
NEW COMMODITY CHARGE *	
518.933 x \$ 1,575.00 =	(817,319)
	<hr/>
	<u>\$ 28,485</u>

MONTHLY SERVICE CHARGE * = \$ 28,485 / 12 = \$2,374

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	638,262
COMMODITY CHARGE		
337.356 units x \$ 1,832.00		618,036
		618,036
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	\$	20,226
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	198,178
MONTHLY SERVICE CHARGE		
\$6,743 x 12 MONTHS		80,916
		80,916
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	\$	117,262
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		19.67%

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

SYSTEM REVENUE REQUIREMENTS	\$ 836,440
NEW COMMODITY CHARGE *	
337.356 x \$ 1,892.00 =	(638,278)
	<hr/>
	<u>\$ 198,162</u>

MONTHLY SERVICE CHARGE * = \$198,162 / 12 = \$16,514

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	137,824
COMMODITY CHARGE		
112.141 units x \$ 1,417.00		158,904
		158,904
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	\$	<u><u>(21,080)</u></u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	25,752
MONTHLY SERVICE CHARGE		
\$1,714 x 12 MONTHS		20,568
		20,568
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	\$	<u><u>5,184</u></u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u><u>-8.86%</u></u>

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

SYSTEM REVENUE REQUIREMENTS	\$ 163,576
NEW COMMODITY CHARGE *	
112.141 x \$ 1,229.00 =	(137,821)
	<hr/>
	<u>\$ 25,755</u>

MONTHLY SERVICE CHARGE * = \$ 25,755 / 12 = \$2,146

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: August 18, 2009

TO: Mike Wolski
Financial Analyst

FROM:  Rick DeVries, P.E.
Assistant 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 2009.

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>2009</u>	<u>2010</u>
Domestic Sewer User	\$ 59.00	\$ 60.00
Commercial-Industrial User (Sewer over 8 in. diameter)	\$ 82.00	\$ 81.00

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, 2008 through June, 2009. 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>2009</u>	<u>2010</u>
50 ft.	\$ 2,150	\$ 1,800
60 ft.	\$ 2,550	\$ 2,100
66 ft.	\$ 2,750	\$ 2,300
80 ft.	\$ 3,250	\$ 2,750
100 ft.	\$ 4,000	\$ 3,400

MEMORANDUM

CITY OF GRAND RAPIDS

Date: October 28, 2009

To: Linda Wagenmaker, Financial Analyst

From: Randall Fisher, Environmental Services Manager

Subject: Sewer Rate Study – Task #30 - Surcharges

Randall Fisher

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	Rate Study Year		Wastewater Surcharges					
	2009	Volume	BOD	TSS	Phos	NH3	Industrial	Other
Operation & Maintenance (See Part 2)	\$ 27,624,515	\$ 4,297,478	\$ 4,094,277	\$ 4,125,051	\$ 536,410	\$ 469,298	\$ 601,274	\$ 13,510,727
Depreciation (See Part 3)	4,538,170	747,039	709,995	717,089	93,254	81,579	-	2,189,214
Return on System Investment (See Part 3)	8,908,851	978,495	929,974	939,266	122,146	106,855	-	5,832,115
Total	\$ 41,071,536	\$ 6,023,012	\$ 5,724,246	\$ 5,781,406	\$ 751,810	\$ 657,732	\$ 601,274	\$ 21,532,056

Recommended Surcharge Rate - 2010

Actual Surcharge Rate - 2009	\$ 0.229	\$ 0.257	\$ 1.193	\$ 0.262
Change in Surcharge Rate - Amount- 2009 to 2010	\$ 0.002	\$ 0.028	\$ (0.033)	\$ 0.036
Change in Surcharge Rate - Percent- 2009 to 2010	0.87%	10.89%	-2.77%	13.74%

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

	Primary Allocation		Component Allocation (3)								
	Base Year- 2009 Allocation (1)	Calendar Year- 2010 Allocation (2)	Allocation Basis	Line No. Ref.	Volume	BOD	TSS	Phos	NH3	Industrial	Other
Wastewater Treatment Plant											
Pre-Treatment	\$ 1,151,925	\$ 1,295,050	WWTP	(1)	\$ 1,295,050	-	-	-	-	-	-
Primary Treatment	1,609,465	1,809,439	WWTP	(2)	-	542,832	1,085,663	-	180,944	-	-
Secondary Treatment	3,569,236	4,012,708	WWTP	(3)	1,003,177	2,006,354	802,542	-	200,635	-	-
Disinfection/Dechlorination	989,071	1,111,962	WWTP	(4)	1,111,962	-	-	-	-	-	-
Phosphorus Removal	798,206	897,382	WWTP	(5)	448,691	-	-	448,691	-	-	-
Residue Handling/Disposal	3,901,249	4,385,973	WWTP	(6)	438,598	1,535,091	2,236,846	87,719	87,719	-	-
	\$ 12,019,152	\$ 13,512,514			\$ 4,297,478	\$ 4,084,277	\$ 4,125,051	\$ 536,410	\$ 469,298	\$ -	\$ -
Lift Stations											
Interceptor			Collection	(11)							370,510
Trunk			Collection	(11)							204,062
Local Collector			Collection	(11)							595,714
Sewer Lines											
Interceptor			Collection	(11)							382,597
Trunk			Collection	(11)							840,022
Local Collector			Collection	(11)							6,328,142
Bulk Meter Stations			Collection	(7)							13,524
Customer Accounting			Admin	(8)							2,749,123
Industrial Pretreatment			Industry	(9)							601,274
Subtotal					\$ 4,297,478	\$ 4,084,277	\$ 4,125,051	\$ 536,410	\$ 469,298	\$ 601,274	\$ 11,483,694
Admin			Admin	(10)							2,027,033
Total					\$ 4,297,478	\$ 4,084,277	\$ 4,125,051	\$ 536,410	\$ 469,298	\$ 601,274	\$ 13,510,727
WWTP Allocation Factors		100.000%			31.803%	30.226%	30.528%	3.970%	3.473%	0.000%	0.000%

(1) Based on October 12, 2009 update from R Fisher regarding 2009 WWTP Surcharge Rate Evaluation.
 (2) Primary Allocation of Current Year for Calendar 2010, based on 2009 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)	\$ 2,348,956	\$ 747,039	\$ 709,995	\$ 717,089	\$ 93,254	\$ 81,579	\$ -	\$ -	
Other	2,189,214	-	-	-	-	-	-	2,189,214	
Total	\$ 4,538,170	\$ 747,039	\$ 709,995	\$ 717,089	\$ 93,254	\$ 81,579	\$ -	\$ 2,189,214	

Return on System Investment- Task 21

Description	Amount	Volume	Wastewater Surcharges					Industrial	Other
			BOD	TSS	Phos	NH3			
Integrated System (1)	\$ 3,076,736	\$ 978,495	\$ 929,974	\$ 939,266	\$ 122,146	\$ 106,855	\$ -	\$ -	
Other	5,832,115	-	-	-	-	-	-	5,832,115	
Total	\$ 8,908,851	\$ 978,495	\$ 929,974	\$ 939,266	\$ 122,146	\$ 106,855	\$ -	\$ 5,832,115	

(1) Allocated on WWTP Allocation Factors *

31.8030% 30.2260% 30.5280% 3.4730%

* 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	Allocation Basis	Volume %	Total %	Wastewater Surcharges					Industrial %	Other %
					BOD %	TSS %	Phos %	NH3 %			
(1)	Pre-Treatment	WWTP	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(2)	Primary Treatment	WWTP	0.000%	100.000%	30.000%	60.000%	0.000%	10.000%	0.000%	0.000%	0.000%
(3)	Secondary Treatment	WWTP	25.000%	100.000%	50.000%	20.000%	0.000%	5.000%	0.000%	0.000%	0.000%
(4)	Disinfection/Dechlorination	WWTP	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(5)	Phosphorus Removal	WWTP	50.000%	100.000%	0.000%	0.000%	50.000%	0.000%	0.000%	0.000%	0.000%
(6)	Residue Handling/Disposal	WWTP	10.000%	100.000%	35.000%	51.000%	2.000%	2.000%	0.000%	0.000%	0.000%
(7)	Bulk Metering Stations	Collection	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%
(8)	Customer Accounting	Admin	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%
(9)	Industrial Pretreatment	Industry	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%
(10)	Admin	Admin	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%
(11)	Collection System	Collection	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%

1005

(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 2009 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 2010 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: 10/16/2009

Permit Fee: \$ 400.00

IPP Costs:

Labor: \$ 56.16 per hour
 Vehicle: \$ 3.18 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	\$	7.00	ea.
TSS	\$	7.00	ea.
BOD	\$	14.00	ea.
total phosphate	\$	13.50	ea.
pH	\$	5.00	ea.
EPA 624	\$	60.00	ea.
EPA 625	\$	115.00	ea.
BTEX/MTBE	\$	35.00	ea.
sulfide	\$	12.00	ea.
oil & grease	\$	25.00	ea.
total cyanide	\$	15.00	ea.
hex chrome	\$	10.00	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 = to \$28.0821 x 2) per the latest 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: \$ 400.00
Analytical Fee: \$ 744.00
Amount Due: \$ 1,144.00

Composite Samples: 4

IPP Requirements: man hours = 6.0 x \$ 56.16 = \$ 337.00
sampler days = 4.0 x \$ 35.00 = \$ 140.00
vehicle hours = 6.0 x \$ 3.18 = \$ 19.00

Total IPP Composite Costs: \$ 496.00

Laboratory Analysis: metals 6 x \$ 7.00 = \$ 42.00
(each composite) TSS x \$ 7.00 = \$ -
BOD x \$ 14.00 = \$ -
total phosphate x \$ 13.50 = \$ -
pH x \$ 5.00 = \$ -
EPA 625 x \$ 115.00 = \$ -
sulfide x \$ 12.00 = \$ -
oil & grease x \$ 25.00 = \$ -
hex chrome x \$ 10.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -
total per composite: \$ 42.00

Total Laboratory Composite Costs: \$ 168.00

Total Composite Sample Costs: \$ 664.00

Grab Samples: 4

IPP Requirements: man hours = 0.0 x \$ 56.16 = \$ -
vehicle hours = 0.0 x \$ 3.18 = \$ -

Total IPP Grab Costs: \$ -

Laboratory Analysis: metals x \$ 7.00 = \$ -
(each grab) TSS x \$ 7.00 = \$ -
BOD x \$ 14.00 = \$ -
total phosphate x \$ 13.50 = \$ -
pH 1 x \$ 5.00 = \$ 5.00
EPA 624 x \$ 60.00 = \$ -
EPA 625 x \$ 115.00 = \$ -
BTEX/MTBE x \$ 35.00 = \$ -
sulfide x \$ 12.00 = \$ -
oil & grease x \$ 25.00 = \$ -
total cyanide 1 x \$ 15.00 = \$ 15.00
hex chrome x \$ 10.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -
total per grab: \$ 20.00

Total Laboratory Grab Costs: \$ 80.00

Total Grab Sample Costs: \$ 80.00

Total Analytical Permit Costs: \$ 744.00

Permit No: Example 2

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

Permit Fee: \$ 400.00
Analytical Fee: \$ 64.00
Amount Due: \$ 464.00

Composite Samples:

IPP Requirements: man hours = 0.0 x \$ 56.16 = \$ -
sampler days = 0.0 x \$ 35.00 = \$ -
vehicle hours = 0.0 x \$ 3.18 = \$ -

Total IPP Composite Costs: \$ -

Laboratory Analysis: metals x \$ 7.00 = \$ -
(each composite) TSS x \$ 7.00 = \$ -
BOD x \$ 14.00 = \$ -
total phosphate x \$ 13.50 = \$ -
pH x \$ 5.00 = \$ -
EPA 625 x \$ 115.00 = \$ -
sulfide x \$ 12.00 = \$ -
oil & grease x \$ 25.00 = \$ -
hex chrome x \$ 10.00 = \$ -
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 \$ 56.16 = \$ 56.00
vehicle hours = 1.0 x \$ 3.18 = \$ 3.00

Total IPP Grab Costs: \$ 59.00

Laboratory Analysis: metals x \$ 7.00 = \$ -
(each grab) TSS x \$ 7.00 = \$ -
BOD x \$ 14.00 = \$ -
total phosphate x \$ 13.50 = \$ -
pH 1 x \$ 5.00 = \$ 5.00
EPA 624 x \$ 60.00 = \$ -
EPA 625 x \$ 115.00 = \$ -
BTEX/MTBE x \$ 35.00 = \$ -
sulfide x \$ 12.00 = \$ -
oil & grease x \$ 25.00 = \$ -
total cyanide x \$ 15.00 = \$ -
hex chrome x \$ 10.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -

total per grab: \$ 5.00

Total Laboratory Grab Costs: \$ 5.00

Total Grab Sample Costs: \$ 64.00

Total Analytical Permit Costs: \$ 64.00

Permit No: Example 3

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

Permit Fee: \$ 400.00
Analytical Fee: \$ 99.00
Amount Due: \$ 499.00

Composite Samples:

IPP Requirements: man hours = 0.0 x \$ 56.16 = \$ -
sampler days = 0.0 x \$ 35.00 = \$ -
vehicle hours = 0.0 x \$ 3.18 = \$ -

Total IPP Composite Costs: \$ -

Laboratory Analysis: metals x \$ 7.00 = \$ -
(each composite) TSS x \$ 7.00 = \$ -
BOD x \$ 14.00 = \$ -
total phosphate x \$ 13.50 = \$ -
pH x \$ 5.00 = \$ -
EPA 625 x \$ 115.00 = \$ -
sulfide x \$ 12.00 = \$ -
oil & grease x \$ 25.00 = \$ -
hex chrome x \$ 10.00 = \$ -
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 \$ 56.16 = \$ 56.00
vehicle hours = 1.0 x \$ 3.18 = \$ 3.00

Total IPP Grab Costs: \$ 59.00

Laboratory Analysis: metals 5 x \$ 7.00 = \$ 35.00
(each grab) TSS x \$ 7.00 = \$ -
BOD x \$ 14.00 = \$ -
total phosphate x \$ 13.50 = \$ -
pH 1 x \$ 5.00 = \$ 5.00
EPA 624 x \$ 60.00 = \$ -
EPA 625 x \$ 115.00 = \$ -
BTEX/MTBE x \$ 35.00 = \$ -
sulfide x \$ 12.00 = \$ -
oil & grease x \$ 25.00 = \$ -
total cyanide x \$ 15.00 = \$ -
hex chrome x \$ 10.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -

total per grab: \$ 40.00

Total Laboratory Grab Costs: \$ 40.00

Total Grab Sample Costs: \$ 99.00

Total Analytical Permit Costs: \$ 99.00

Permit No: Example 4

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

Permit Fee: \$ 400.00
Analytical Fee: \$ 66.00
Amount Due: \$ 466.00

Composite Samples:

IPP Requirements: man hours = 0.0 x \$ 56.16 = \$ -
sampler days = 0.0 x \$ 35.00 = \$ -
vehicle hours = 0.0 x \$ 3.18 = \$ -

Total IPP Composite Costs: \$ -

Laboratory Analysis: metals x \$ 7.00 = \$ -
(each composite) TSS x \$ 7.00 = \$ -
BOD x \$ 14.00 = \$ -
total phosphate x \$ 13.50 = \$ -
pH x \$ 5.00 = \$ -
EPA 625 x \$ 115.00 = \$ -
sulfide x \$ 12.00 = \$ -
oil & grease x \$ 25.00 = \$ -
hex chrome x \$ 10.00 = \$ -
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 \$ 56.16 = \$ 56.00
vehicle hours = 1.0 x \$ 3.18 = \$ 3.00

Total IPP Grab Costs: \$ 59.00

Laboratory Analysis: metals 1 x \$ 7.00 = \$ 7.00
(each grab) TSS x \$ 7.00 = \$ -
BOD x \$ 14.00 = \$ -
total phosphate x \$ 13.50 = \$ -
pH x \$ 5.00 = \$ -
EPA 624 x \$ 60.00 = \$ -
EPA 625 x \$ 115.00 = \$ -
BTEX/MTBE x \$ 35.00 = \$ -
sulfide x \$ 12.00 = \$ -
oil & grease x \$ 25.00 = \$ -
total cyanide x \$ 15.00 = \$ -
hex chrome x \$ 10.00 = \$ -
fecal coliform x \$ 45.00 = \$ -
other x = \$ -

total per grab: \$ 7.00

Total Laboratory Grab Costs: \$ 7.00

Total Grab Sample Costs: \$ 66.00

Total Analytical Permit Costs: \$ 66.00

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 26, 2009

TO: Linda Wagenmaker
Financial Analyst

FROM: Charles R. Schroeder, PE *C. Schroeder*
Hydraulic Engineer

SUBJECT: **2010 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"	\$ 4.00
8" to 12"	10.49
8" to 15"	19.36
10" to 12"	6.49
10" to 15"	15.36
12" to 15"	8.87

These rates have been determined in accordance with the Sewage Disposal System Rules and Regulations and are approved for use from January 1, 2010 through December 31, 2010. 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

crs\stask32 2010

**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 information on file as of October 28, 2009:

<u>UAB Partners</u>	<u>Sq. Miles of USD by CC</u>	<u>Percent</u>
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	\$ 90,475	12.50%
City & Customer Community Circuit Breaker	633,326	87.50%
Total	<u>\$ 723,801</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	\$ 633,326	100.00%
Less: Amount Applied in Current Rate Study	(633,326)	-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 2, 2009

TO: Eric DeLong
Deputy City Manager

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: 2009 WATER/SEWER RATE REVIEW - PRELIMINARY REPORT

The preliminary report, recommending water and sewer rates as of January 1, 2010 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 fourth 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 \$152,978 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 Walker and Grand Rapids Township. The sewage system provided partial relief to Walker, Kentwood, Cascade Township, Grand Rapids Township, Tallmadge Township and Wright Township.

Proposed 2010 water rates reflect increases for: supplies at the Lake Plant, pavement repairs, construction of the Dean Lake transmission main, Phase I of the South Walker watermain extension, decreased integrated connection fees, and decreases in billed volume. Proposed 2010 sewer rates reflect increases for CSO debt service, contractual large sewer cleaning, claims due to wet weather, Saddleback sewer project work, decreased integrated connection fees, and decreases in billed volume.

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

1. Water Supply System revenue requirements will increase \$4,598,911 or 11.77% more than revenues generated by existing rates and charges.

2. Sewage Disposal System revenue requirements will increase \$6,666,189 or 14.80% more than revenues generated by existing rates and charges.

Attached is a schedule of comparative 2009/2010 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 2009/2010 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 2010 water and sewer rates to our UAB partners and other customer communities is scheduled for Friday, November 6, 2009. 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 15, 2009.

Resolutions are being prepared providing for publication of proposed ordinances amending the Water and Sewer Rates and Charges and establish December 1, 2009 as the date for public hearing and December 15, 2009 to consider adoption of the proposed ordinances.

LW

Attachment

T:\Water\Accountant\Rate Study\WSRS\09Prelim-Cover Memo.doc

**CITY OF GRAND RAPIDS, MICHIGAN
2009 PRELIMINARY WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON DOMESTIC USERS
BY CUSTOMER COMMUNITY *
November 2, 2009**

	APPROXIMATE QUARTERLY BILL		CHANGE	
	2009	2010	DOLLARS	PERCENT
GRAND RAPIDS				
WATER	\$ 71.02	\$ 78.75	\$ 7.73	10.88%
SEWER	89.25	101.37	12.12	13.58%
	<u>\$ 160.27</u>	<u>\$ 180.12</u>	<u>\$ 19.85</u>	12.39%
BASE RATIO	1.00	1.00		
WALKER				
WATER	\$ 74.44	\$ 83.21	\$ 8.77	11.78%
SEWER	121.50	143.52	22.02	18.12%
	<u>\$ 195.94</u>	<u>\$ 226.73</u>	<u>\$ 30.79</u>	15.71%
RATIO TO GR	1.22	1.26		
KENTWOOD				
WATER	\$ 86.25	\$ 95.98	\$ 9.73	11.28%
SEWER	53.52	62.58	9.06	16.93%
	<u>\$ 139.77</u>	<u>\$ 158.56</u>	<u>\$ 18.79</u>	13.44%
RATIO TO GR	0.87	0.88		
CASCADE TWP				
WATER	\$ 117.72	\$ 131.63	\$ 13.91	11.82%
SEWER	123.42	143.22	19.80	16.04%
	<u>\$ 241.14</u>	<u>\$ 274.85</u>	<u>\$ 33.71</u>	13.98%
RATIO TO GR	1.50	1.53		
GRAND RAPIDS TWP				
WATER	\$ 93.48	\$ 104.59	\$ 11.11	11.88%
SEWER	113.94	136.47	22.53	19.77%
	<u>\$ 207.42</u>	<u>\$ 241.06</u>	<u>\$ 33.64</u>	16.22%
RATIO TO GR	1.29	1.34		
TALLMADGE TWP				
WATER	\$ 127.50	\$ 132.31	\$ 4.81	3.77%
SEWER	260.49	316.77	56.28	21.61%
	<u>\$ 387.99</u>	<u>\$ 449.08</u>	<u>\$ 61.09</u>	15.75%
RATIO TO GR	2.42	2.49		

* THE COMPARISONS ABOVE ARE BASED ON SYSTEM AVERAGE DOMESTIC CUSTOMER
 QUARTERLY CONSUMPTION OF: WATER- 25.00 UNITS OR 18,700 GALLONS
 SEWER - 18.00 UNITS OR 13,464 GALLONS
 NO. OF MONTHS: 3

Note: The average water consumption depicted above reflects a decrease of three (3) units from last year's rate study.
 Sewer reflects a decrease of one (1) unit from last year's rate study (The average quarterly consumption for water &
 sewer last year was 28 and 19 units, respectively).

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

WRIGHT TWP- Contribution of \$35,000 for 2009, \$0 for 2010.

SEWER (No. of REU 1.00)	<u>\$ 158.79</u>	<u>\$ 207.75</u>	<u>\$ 48.96</u>	30.83%
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CITY OF GRAND RAPIDS, MICHIGAN
2009 PRELIMINARY WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON WHOLESALE USERS
November 2, 2009

	<u>2009</u>	<u>2010</u>	<u>PERCENTAGE CHANGE</u>
EAST GRAND RAPIDS			
WATER - SERVICE (MONTHLY)	\$ 19,061.00	\$ 19,071.00	0.05%
- COMMODITY (100 CF)	1.13	1.29	14.16%
SEWER - SERVICE (MONTHLY)	1,865.00	2,366.00	26.86%
- COMMODITY (MG)	1,538.00	1,614.00	4.94%
ADA TWP			
WATER - SERVICE	\$ 39,018.00	\$ 44,612.00	14.34%
- COMMODITY	1.21	1.38	14.05%
SEWER - SERVICE	6,743.00	16,521.00	145.01%
- COMMODITY	1,832.00	1,939.00	5.84%
OTTAWA COUNTY			
WATER - SERVICE	\$ 29.00	\$ 79.00	172.41%
- COMMODITY	1.20	1.36	13.33%
GAINES TWP			
SEWER - SERVICE	\$ 1,714.00	\$ 2,132.00	24.39%
- COMMODITY	1,417.00	1,259.00	-11.15%

*78777 Com. Lumpkins, supported by Com. Jendrasiak, moved adoption of the following resolution under the Consent Agenda:

RESOLVED that the following Ordinance to amend sections 2.34, 2.40, 2.41 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 1, 2009, 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 15, 2009.

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. 2009-__

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: \$55.00;
 - (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: \$75.00.

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 2.40 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		\$1.86 per 100 cubic feet
Commercial		\$1.86 per 100 cubic feet
Industrial		\$1.86 per 100 cubic feet

<u>Size of Meter</u>	<u>Monthly Service Charge</u>	<u>Charge</u>
3/4 inch or less		\$ 10.75
1 inch		16.23
1 1/4 inch		23.28
1 1/2 inch		31.90
2 inches		53.83
3 inches		116.50
4 inches		204.23
6 inches or larger		454.90"

Section 3. That Section 2.41 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.41 Fire Protection Charge.

The fire protection charge is a flat fee for fire protection based on the size of the fire protection connection pipe. The charge is payable in advance and shall be:

Fire Connection		
<u>Pipe Size (inches)</u>	<u>Monthly</u>	<u>Quarterly</u>
6	\$15.00	\$ 45.00
8	24.00	72.00
10	36.00	108.00
12	54.00	162.00"

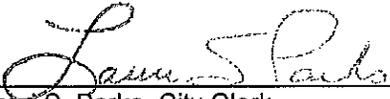
Section 4. That Section 2.45 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.45 Effective Date.

The rates, charges and fees set forth in Section 2.34, 2.40 and 2.41 shall be effective on January 1, 2010."

* 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 10, 2009.



Lauri S. Parks, City Clerk

*78778 Com. Lumpkins, supported by Com. Jendrasiak, moved adoption of the following resolution under the Consent Agenda:

RESOLVED that the following Ordinance to amend section 2.95, 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 1, 2009, 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 15, 2009.

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. 2009-___

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: \$60.00;
 - (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: \$81.00.

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 2.101 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		\$3.37 per 100 cubic feet
Commercial		\$3.37 per 100 cubic feet
Industrial		\$3.37 per 100 cubic feet

<u>Size of Meter</u>	<u>Monthly Service Charge</u>	<u>Charge</u>
3/4 inch or less		\$ 13.57
1 inch		21.74
1 1/4 inches		32.25
1 1/2 inches		45.10
2 inches		77.80
3 inches		171.22
4 inches		302.01
6 inches or larger		675.70"

Section 3. 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-three and six-tenth cents (\$0.236) per pound of BOD and twenty-nine and one-tenth cents (\$0.291) per pound of TSS and one dollar and eighteen and six-tenth cents (\$1.186) 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 thirty and five-tenth cents (\$0.305) 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 four hundred dollars (\$400.00) 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	7.00	each
TSS	7.00	each
BOD	14.00	each
Total Phosphate	13.50	each
pH	5.00	each
EPA 624	60.00	each
EPA 625	115.00	each
BTEX/MTBE	35.00	each
Sulfide	12.00	each
Oil and Grease	25.00	each
Total Cyanide	15.00	each
Hexavalent Chromium	10.00	each
Fecal Coliform	45.00	each
Labor	56.16	hour
Sampler	35.00	day
Vehicle	3.18	hour

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

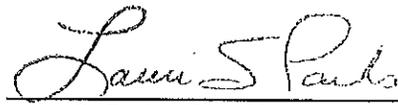
Section 4. That Section 2.105 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.105 Effective Date.

The rates, charges and fees set forth in Section 2.95, 2.101 and 2.102 shall be effective on January 1, 2010."

* 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 10, 2009.



 Lauri S. Parks, City Clerk

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 21, 2009

Customer Name:
CITY OF GRAND RAPIDS RTL

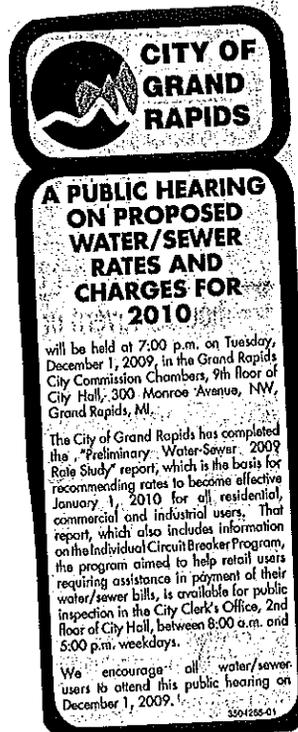
Sheryl L DeVriendt
Sheryl L DeVriendt

Subscribed and sworn to before me this 24th day of November A.D. 2009

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: 2/19/2014
Acting in the County of Kent



Folios 1 Times \$ 100.80
Affidavit \$ 0.00
Words/Lines \$ 100.80

**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

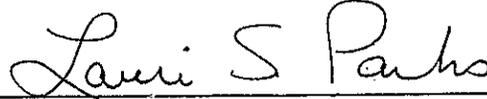
Received and filed this 24th day of November A.D. 2009

PUBLIC HEARINGS - GRAND RAPIDS ORDINANCES

78863 Pursuant to Commission File No. 78777, dated November 10, 2009, a public hearing was held on this date to consider a proposed 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 Mayor declared the hearing closed.

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 1, 2009.

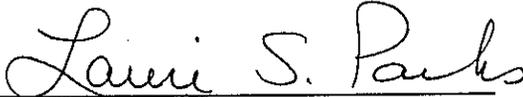
A handwritten signature in cursive script that reads "Lauri S Parks". The signature is written in black ink and is positioned above a horizontal line.

Lauri S. Parks, City Clerk

78864 Pursuant to Commission File No. 78778, dated November 10, 2009, a public hearing was held on this date to consider a proposed 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 Mayor declared the hearing closed.

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 1, 2009.


Lauri S. Parks, City Clerk

FINAL ADOPTION OF RATE ORDINANCES

78873 An Ordinance to amend Chapter 26 of the City Code amending Water Rates and Charges was presented to the City Commission on November 10, 2009 under File No. 78777 and a hearing was held on December 1, 2009, under File No. 78863. The aforementioned ordinance shall be considered for adoption this date.

Com. Lumpkins, supported by Com. Jendrasiak, 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. 2009-66

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: \$55.00;
 - (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: \$75.00.

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 2.40 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	\$1.82 per 100 cubic feet
Commercial	\$1.82 per 100 cubic feet
Industrial	\$1.82 per 100 cubic feet

<u>Size of Meter</u>	<u>Monthly Service Charge</u>	<u>Charge</u>
3/4 inch or less		\$ 10.67
1 inch		16.06
1 1/4 inch		22.99
1 1/2 inch		31.46
2 inches		53.02
3 inches		114.62
4 inches		200.86
6 inches or larger		447.26"

Section 3. That Section 2.41 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.41 Fire Protection Charge.

The fire protection charge is a flat fee for fire protection based on the size of the fire protection connection pipe. The charge is payable in advance and shall be:

Fire Connection		
Pipe Size (inches)	Monthly	Quarterly
6	\$15.00	\$ 45.00
8	24.00	72.00
10	36.00	108.00
12	54.00	162.00"

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.

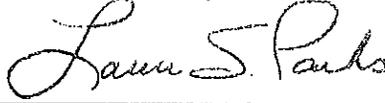
The rates, charges and fees set forth in Section 2.34, 2.40 and 2.41 shall be effective on January 1, 2010."

Carried by a roll call vote: Yeas: -7 Nays: -0

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

Adopted: Yeas: -7 Nays: -0

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 15, 2009.



Lauri S. Parks, City Clerk

78874 An Ordinance to amend Chapter 27 of the City Code amending Sewer Rates and Charges was presented to the City Commission on November 10, 2009 under File No. 78778 and a hearing was held on December 1, 2009, under File No. 78864. The aforementioned ordinance shall be considered for adoption this date.

Com. Lumpkins, supported by Com. Jendrasiak, 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. 2009-67

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: \$60.00;
 - (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: \$81.00.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 2.101 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		\$3.33 per 100 cubic feet
Commercial		\$3.33 per 100 cubic feet
Industrial		\$3.33 per 100 cubic feet
		<u>Monthly Service Charge</u>
<u>Size of Meter</u>		<u>Charge</u>
3/4 inch or less		\$ 13.70
1 inch		21.94
1 1/4 inches		32.54
1 1/2 inches		45.50
2 inches		78.48
3 inches		172.70
4 inches		304.61
6 inches or larger		681.50"

Section 3. 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-three and one-tenth cents (\$0.231) per pound of BOD and twenty-eight and five-tenth cents (\$0.285) per pound of TSS and one dollar and sixteen cents (\$1.160) 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-nine and eight-tenth cents (\$0.298) 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 four hundred dollars (\$400.00) 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	\$ 7.00	each
TSS	7.00	each
BOD	14.00	each
Total Phosphate	13.50	each
pH	5.00	each
EPA 624	60.00	each
EPA 625	115.00	each
BTEX/MTB	35.00	each
Sulfide	12.00	each
Oil and Grease	25.00	each
Total Cyanide	15.00	each
Hexavalent Chromium	10.00	each
Fecal Coliform	45.00	each
Labor	56.16	hour
Sampler	35.00	day
Vehicle	3.18	hour

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

Section 4. 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.

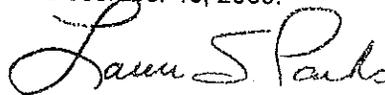
The rates, charges and fees set forth in Section 2.95, 2.101 and 2.102 shall be effective on January 1, 2010."

Carried by a roll call vote: Yeas: -7 Nays: -0

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

Adopted: Yeas: -7 Nays: -0

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 15, 2009.



Lauri S. Parks, City Clerk

INTRODUCTION OF RESOLUTION APPROVING CUSTOMER COMMUNITIES' RATES

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: December 8, 2009

TO: Eric DeLong
Deputy City Manager

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: 2010 CUSTOMER COMMUNITY WATER-SEWER RATES

The 2009 Preliminary Water-Sewer Rate Study recommended water and sewer rate adjustments as of January 1, 2010 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 6, 2009. The water-sewer service agreements provide customer communities a thirty-day comment period following notification of rate adjustments. During the comment period, additional information was received with regards to health insurance premiums and staffing levels in 2010 for both the water and sewage systems. The resulting changes benefit all communities. Water revenue requirements decreased \$732,736, which reduced the rate increase from the preliminary amount of 11.77% to 9.89%, a reduction of 1.88%. Sewer revenue requirements decreased \$340,256, which reduced the rate increase from the preliminary amount of 14.80% to 14.04%, a reduction of 0.76%. In addition, during the comment period, Wright Township elected to contribute \$17,000 to offset 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 2010. A summary of water and sewer revenue requirement changes and a rate schedule for each customer community is attached to the resolution.

LW

Attachments

Your COMMITTEE OF THE WHOLE recommends adoption of the following resolution approving the attached revised Water and Sewer Rates in accordance with the 2009 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 2008, and,

WHEREAS, The 2009 Water-Sewer Rate Review has been completed using the same general methodology as the 1976 through 2008 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, 2010.

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 Linda Wagenmaker, Financial Analyst
CW 2010 Customer Community Rates*

City of Grand Rapids, MI
2009 Water-Sewer Rate Study
Summary of Revenue Requirement Changes- Preliminary to Final
Tuesday, December 08, 2009

WATER					
	<u>Preliminary</u> <u>Rate Study</u>	<u>Final</u> <u>Rate Study *</u>	<u>Change</u> <u>Amount</u>	<u>Prelim RS</u> <u>% Increase</u>	<u>Final RS</u> <u>% Increase</u>
CITY OF GRAND RAPIDS	\$ 25,881,095	\$ 25,447,893	\$ (433,202)	11.61%	9.74%
CITY OF WALKER	3,443,799	3,384,487	(59,312)	12.06%	10.13%
CITY OF KENTWOOD	4,510,110	4,432,641	(77,469)	11.67%	9.75%
CASCADE TOWNSHIP	3,512,182	3,453,631	(58,551)	11.77%	9.91%
GRAND RAPIDS TOWNSHIP	2,445,556	2,403,436	(42,120)	12.06%	10.13%
TALLMADGE TOWNSHIP	155,477	151,490	(3,987)	3.28%	0.63%
EAST GRAND RAPIDS	985,580	970,849	(14,731)	10.54%	8.89%
ADA TOWNSHIP	1,500,386	1,480,549	(19,837)	14.15%	12.64%
OTTAWA CO	1,238,303	1,214,776	(23,527)	13.38%	11.23%
SYSTEM	<u>\$ 43,672,488</u>	<u>\$ 42,939,752</u>	<u>\$ (732,736)</u>	11.77%	9.89%

SEWER					
	<u>Preliminary</u> <u>Rate Study</u>	<u>Final</u> <u>Rate Study *</u>	<u>Change</u> <u>Amount</u>	<u>Prelim RS</u> <u>% Increase</u>	<u>Final RS</u> <u>% Increase</u>
CITY OF GRAND RAPIDS	\$ 35,905,887	\$ 35,718,837	\$ (187,050)	13.46%	12.87%
CITY OF WALKER	5,120,143	5,083,510	(36,633)	18.61%	17.76%
CITY OF KENTWOOD	3,455,310	3,425,211	(30,099)	18.80%	17.77%
CASCADE TOWNSHIP	2,184,078	2,167,084	(16,994)	16.83%	15.92%
GRAND RAPIDS TOWNSHIP	2,554,325	2,530,909	(23,416)	20.19%	19.09%
TALLMADGE TOWNSHIP	313,265	310,313	(2,952)	22.06%	20.91%
WRIGHT TOWNSHIP **	300,577	296,740	(3,837)	30.84%	21.77%
EAST GRAND RAPIDS	865,952	845,804	(20,148)	5.54%	3.08%
ADA TOWNSHIP	852,379	836,440	(15,939)	21.95%	19.67%
GAINES TOWNSHIP	166,764	163,576	(3,188)	-7.08%	-8.86%
SYSTEM	<u>\$ 51,718,680</u>	<u>\$ 51,378,424</u>	<u>\$ (340,256)</u>	14.80%	14.04%

* Revised amounts reflect changes for decreased employee health care, increased retiree health care & recognizing staffing changes.

**Final % increase is net of \$17,000 contribution.

Page has been removed from the published Rate Study.

Page has been removed from the published Rate Study.

APPROVAL OF CUSTOMER COMMUNITIES' RATES

*78901 Com. LaGrand, 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 2008, and,

WHEREAS, The 2009 Water-Sewer Rate Review has been completed using the same general methodology as the 1976 through 2008 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, 2010.

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.

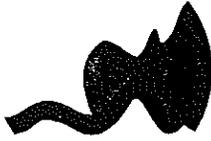
* CONSENT AGENDA APPROVAL

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 15, 2009.



Lauri S. Parks, City Clerk

CITY CLERK



CITY OF GRAND RAPIDS

December 17, 2009

Ms. Sarah Bydalek, City Clerk
City of Walker
4243 Remembrance Road NW
Grand Rapids, MI 49504

Dear Sarah:

The "2009 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 6, 2009, followed by a thirty-day comment period.

On December 15, 2009, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2010. 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 Buhner, Assistant to the City Manager, Fiscal Services
Linda Wagenmaker, Financial Analyst

CITY OF WALKER, MICHIGAN

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.70 /100 CF *
\$ 1.54 x 110.13%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 3,384,487
NEW COMMODITY CHARGE		
1,264,730 x \$ 1.70	\$ 2,150,041	
NEW MONTHLY BILLING CHARGE		
5,959 x \$ 3.74 x 12	267,440	
MONTHLY FIRE PROTECTION CHARGE	59,328	
ANNUAL HYDRANT CHARGE	-	(2,476,809)
		<u>\$ 907,678</u>

MONTHLY METER CHARGE = $\frac{\$907,678}{8,070 \times 12}$ = \$ 9.37 MONTHLY

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 9.37	\$ 3.74	\$ 13.11	\$ 11.98
1"	1.7778	16.66	3.74	20.40	18.41
1 1/4"	2.7778	26.03	3.74	29.77	26.68
1 1/2"	4.0000	37.48	3.74	41.22	36.79
2"	7.1111	66.63	3.74	70.37	62.52
3"	16.0000	149.92	3.74	153.66	136.03
4"	28.4444	266.52	3.74	270.26	238.95
6" and over	64.0000	599.68	3.74	603.42	532.99

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010
 ** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 62,838

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.78 /100 CF *

\$ 2.36 x 117.76%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS ** \$ 5,083,510

NEW COMMODITY CHARGE \$ 2,515,561

904,878 x \$ 2.78

NEW MONTHLY BILLING CHARGE 203,186 (2,718,747)

5,462 x \$ 3.10 x 12

\$ 2,364,763

MONTHLY METER CHARGE = $\frac{\$2,364,763}{7,106 \times 12} = \underline{\underline{\$ 27.73 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 27.73	\$ 3.10	\$ 30.83	\$ 26.34
1"	1.7778	49.30	3.10	52.40	44.28
1 1/4"	2.7778	77.03	3.10	80.13	67.34
1 1/2"	4.0000	110.92	3.10	114.02	95.52
2"	7.1111	197.19	3.10	200.29	167.26
3"	16.0000	443.68	3.10	446.78	372.24
4"	28.4444	788.76	3.10	791.86	659.21
6" and over	64.0000	1,774.72	3.10	1,777.82	1,479.12

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 211,289

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CITY CLERK



CITY OF GRAND RAPIDS

December 17, 2009

Mr. Dan Kasunic, Clerk
City of Kentwood
4900 Breton Avenue SE
Kentwood, MI 49518-8848

Dear Dan:

The "2009 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 6, 2009, followed by a thirty-day comment period.

On December 15, 2009, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2010. 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
Linda Wagenmaker, Financial Analyst

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.75 /100 CF *
 \$ 1.59 x 109.75%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS	\$ 4,432,641
NEW COMMODITY CHARGE	
1,589,933 x \$ 1.75	\$ 2,782,383
NEW MONTHLY BILLING CHARGE	
4,670 x \$ 3.74 x 12	209,590
MONTHLY FIRE PROTECTION CHARGE	105,696
ANNUAL HYDRANT CHARGE	<u>-</u>
	<u>(3,097,669)</u>
	<u>\$ 1,334,972</u>

MONTHLY METER CHARGE = $\frac{\$1,334,972}{8,462 \times 12} = \underline{\underline{\$ 13.15 \text{ MONTHLY}}}$

<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	\$ 13.15	\$ 3.74	\$ 16.89	\$ 15.50
1"	1.7778	23.38	3.74	27.12	24.67
1 1/4"	2.7778	36.53	3.74	40.27	36.46
1 1/2"	4.0000	52.60	3.74	56.34	50.87
2"	7.1111	93.51	3.74	97.25	87.55
3"	16.0000	210.40	3.74	214.14	192.35
4"	28.4444	374.04	3.74	377.78	339.07
6" and over	64.0000	841.60	3.74	845.34	758.27

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.33 /100 CF *
 \$ 1.98 x 117.77%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 3,425,211
NEW COMMODITY CHARGE		
1,259,408 x \$ 2.33		\$ 2,934,421
NEW MONTHLY BILLING CHARGE		
4,343 x \$ 3.10 x 12	161,560	(3,095,981)
		\$ 329,230

MONTHLY METER CHARGE = $\frac{\$329,230}{7,582 \times 12} = \underline{\underline{\$ 3.62 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 3.62	\$ 3.10	\$ 6.72	\$ 5.96
1"	1.7778	6.44	3.10	9.54	8.04
1 1/4"	2.7778	10.06	3.10	13.16	10.72
1 1/2"	4.0000	14.48	3.10	17.58	14.00
2"	7.1111	25.74	3.10	28.84	22.34
3"	16.0000	57.92	3.10	61.02	46.16
4"	28.4444	102.97	3.10	106.07	79.51
6" and over	64.0000	231.68	3.10	234.78	174.80

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 142,981

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CITY CLERK



CITY OF GRAND RAPIDS

December 17, 2009

Mr. Ronald Goodyke, Clerk
Cascade Charter Township
2865 Thornhills SE
Grand Rapids, MI 49546-7192

Dear Mr. Goodyke:

The "2009 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 6, 2009, followed by a thirty-day comment period.

On December 15, 2009, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2010. 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
Linda Wagenmaker, Financial Analyst

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.41 /100 CF *
 \$ 2.19 x 109.91%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS	\$ 3,453,631
NEW COMMODITY CHARGE 869,479 x \$ 2.41	\$ 2,095,444
NEW MONTHLY BILLING CHARGE 3,066 x \$ 3.74 x 12	137,602
MONTHLY FIRE PROTECTION CHARGE	55,488
ANNUAL HYDRANT CHARGE	<u>38,920</u>
	<u>(2,327,454)</u>
	<u>\$ 1,126,177</u>

MONTHLY METER CHARGE = $\frac{\$1,126,177}{4,857 \times 12} = \underline{\underline{\$ 19.32 \text{ MONTHLY}}}$

<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	\$ 19.32	\$ 3.74	\$ 23.06	\$ 20.99
1"	1.7778	34.35	3.74	38.09	34.43
1 1/4"	2.7778	53.67	3.74	57.41	51.71
1 1/2"	4.0000	77.28	3.74	81.02	72.83
2"	7.1111	137.39	3.74	141.13	126.59
3"	16.0000	309.12	3.74	312.86	280.19
4"	28.4444	549.55	3.74	553.29	495.23
6" and over	64.0000	1,236.48	3.74	1,240.22	1,109.63

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.61 /100 CF *
 \$ 2.25 x 115.92%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 2,167,084
NEW COMMODITY CHARGE		
437,444 x \$ 2.61		\$ 1,141,729
NEW MONTHLY BILLING CHARGE		
1,667 x \$ 3.10 x 12	62,012	(1,203,741)
		\$ 963,343

MONTHLY METER CHARGE = $\frac{\$963,343}{2,804 \times 12} = \underline{\underline{\$ 28.63 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 28.63	\$ 3.10	\$ 31.73	\$ 27.64
1"	1.7778	50.90	3.10	54.00	46.59
1 1/4"	2.7778	79.53	3.10	82.63	70.95
1 1/2"	4.0000	114.52	3.10	117.62	100.72
2"	7.1111	203.59	3.10	206.69	176.51
3"	16.0000	458.08	3.10	461.18	393.04
4"	28.4444	814.36	3.10	817.46	696.19
6" and over	64.0000	1,832.32	3.10	1,835.42	1,562.32

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 18,473

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December 17, 2009

Ms. Janice Hulbert, Clerk
Grand Rapids Charter Township
1836 East Beltline NE
Grand Rapids, MI 49525

Dear Janice:

The "2009 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 6, 2009, followed by a thirty-day comment period.

On December 15, 2009, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2010. 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
Linda Wagenmaker, Financial Analyst

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.02 /100 CF *
 \$ 1.83 x 110.13%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **	\$ 2,403,436
NEW COMMODITY CHARGE 699,455 x \$ 2.02	\$ 1,412,899
NEW MONTHLY BILLING CHARGE 3,843 x \$ 3.74 x 12	172,474
MONTHLY FIRE PROTECTION CHARGE	17,424
ANNUAL HYDRANT CHARGE	<u>(1,602,797)</u>
	<u>\$ 800,639</u>

MONTHLY METER CHARGE = $\frac{\$800,639}{4,876 \times 12} = \underline{\underline{\$ 13.68 \text{ MONTHLY}}}$

<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	\$ 13.68	\$ 3.74	\$ 17.42	\$ 15.91
1"	1.7778	24.32	3.74	28.06	25.40
1 1/4"	2.7778	38.00	3.74	41.74	37.60
1 1/2"	4.0000	54.72	3.74	58.46	52.51
2"	7.1111	97.28	3.74	101.02	90.47
3"	16.0000	218.88	3.74	222.62	198.91
4"	28.4444	389.12	3.74	392.86	350.73
6" and over	64.0000	875.52	3.74	879.26	784.51

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010
 ** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 30,974

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.55 /100 CF *
 \$ 2.14 x 119.09%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 2,530,909
NEW COMMODITY CHARGE		
413,933 x \$ 2.55		\$ 1,055,529
NEW MONTHLY BILLING CHARGE		
3,436 x \$ 3.10 x 12	127,819	(1,183,348)
		<u>\$ 1,347,561</u>

MONTHLY METER CHARGE = $\frac{\$1,347,561}{4,209 \times 12} = \underline{\underline{\$ 26.68 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 26.68	\$ 3.10	\$ 29.78	\$ 25.14
1"	1.7778	47.43	3.10	50.53	42.14
1 1/4"	2.7778	74.11	3.10	77.21	64.00
1 1/2"	4.0000	106.72	3.10	109.82	90.72
2"	7.1111	189.72	3.10	192.82	158.73
3"	16.0000	426.88	3.10	429.98	353.04
4"	28.4444	758.90	3.10	762.00	625.07
6" and over	64.0000	1,707.52	3.10	1,710.62	1,402.32

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 164,071

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CITY CLERK



CITY OF GRAND RAPIDS

December 17, 2009

Ms. Lenore Cook, Clerk
Tallmadge Township Offices
0-1451 Leonard Street NW
Grand Rapids, MI 49504

Dear Ms. Cook:

The "2009 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 6, 2009, followed by a thirty-day comment period.

On December 15, 2009, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2010. 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,

Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Linda Wagenmaker, Financial Analyst

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 4.05 /100 CF *
 \$ 4.02 x 100.63%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS	\$ 151,490
NEW COMMODITY CHARGE 27,065 x \$ 4.05	\$ 109,613
NEW MONTHLY BILLING CHARGE 132 x \$ 3.74 x 12	5,924
MONTHLY FIRE PROTECTION CHARGE	4,680
ANNUAL HYDRANT CHARGE	<u>16,704</u>
	<u>(136,921)</u>
	<u>\$ 14,569</u>

MONTHLY METER CHARGE = $\frac{\$14,569}{228 \times 12} = \underline{\underline{\$ 5.32 \text{ MONTHLY}}}$

<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	\$ 5.32	\$ 3.74	\$ 9.06	\$ 9.00
1"	1.7778	9.46	3.74	13.20	13.11
1 1/4"	2.7778	14.78	3.74	18.52	18.40
1 1/2"	4.0000	21.28	3.74	25.02	24.87
2"	7.1111	37.83	3.74	41.57	41.33
3"	16.0000	85.12	3.74	88.86	88.35
4"	28.4444	151.32	3.74	155.06	154.18
6" and over	64.0000	340.48	3.74	344.22	342.27

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 11.43 /100 CF *
 \$ 9.45 x 120.91%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 310,313
NEW COMMODITY CHARGE 19,605 x \$ 11.43		\$ 224,085
NEW MONTHLY BILLING CHARGE 119 x \$ 3.10 x 12	4,427	(228,512)
		<u>\$ 81,801</u>

MONTHLY METER CHARGE = $\frac{\$81,801}{207 \times 12} = \underline{\underline{\$ 32.93 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 32.93	\$ 3.10	\$ 36.03	\$ 30.13
1"	1.7778	58.54	3.10	61.64	51.01
1 1/4"	2.7778	91.47	3.10	94.57	77.86
1 1/2"	4.0000	131.72	3.10	134.82	110.68
2"	7.1111	234.17	3.10	237.27	194.21
3"	16.0000	526.88	3.10	529.98	432.88
4"	28.4444	936.67	3.10	939.77	767.01
6" and over	64.0000	2,107.52	3.10	2,110.62	1,721.68

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2010

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 29,706

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December 17, 2009

Ms. Linda Way, Township Clerk
Wright Township
1565 Jackson
P.O. Box 255
Marne, MI 49435

Dear Ms. Way:

The "2009 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 6, 2009, followed by a thirty-day comment period.

On December 15, 2009, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2010. 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,

Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Linda Wagenmaker, Financial Analyst

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

MONTHLY REU CHARGE:

$$\frac{\text{SYSTEM REVENUE REQUIREMENTS **}}{\text{TOTAL REU'S * 12 MONTHS}} = \frac{\$279,740}{361.687 \times 12} = \$ \underline{\underline{64.45}} \quad \text{MONTHLY REU CHARGE *}$$

SYSTEM REVENUE REQUIREMENTS ARE NET OF CONTRIBUTION OF \$ 17,000

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	\$ 64.45	7.5000	\$ 483.38	19.0000	\$ 1,224.55
1.5000	96.68	8.0000	515.60	20.0000	1,289.00
2.0000	128.90	8.5000	547.83	25.0000	1,611.25
2.5000	161.13	9.0000	580.05	30.0000	1,933.50
3.0000	193.35	9.5000	612.28	35.0000	2,255.75
3.5000	225.58	10.0000	644.50	40.0000	2,578.00
4.0000	257.80	11.0000	708.95	50.0000	3,222.50
4.4000	283.58	12.0000	773.40	60.0000	3,867.00
4.5000	290.03	13.0000	837.85	70.0000	4,511.50
5.0000	322.25	14.0000	902.30	80.0000	5,156.00
5.5000	354.48	15.0000	966.75	90.0000	5,800.50
6.0000	386.70	16.0000	1,031.20	100.0000	6,445.00
6.5000	418.93	17.0000	1,095.65	150.0000	9,667.50
7.0000	451.15	18.0000	1,160.10	200.0000	12,890.00

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 66,806

CITY CLERK



CITY OF GRAND RAPIDS

December 17, 2009

Ms. Karen Brower, Clerk
City of East Grand Rapids
750 Lakeside Drive SE
East Grand Rapids, MI 49506

Dear Karen:

The "2009 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 6, 2009, followed by a thirty-day comment period.

On December 15, 2009, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2010. 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,

Lauri S. Parks
City Clerk

LSP/stz

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Linda Wagenmaker, Financial Analyst

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS	\$ 970,849
NEW COMMODITY CHARGE *	
586,613 x \$1.27 =	(744,999)
	<hr/>
	<u>\$ 225,850</u>

MONTHLY SERVICE CHARGE * = \$225,850 / 12 = \$18,821

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS	\$ 845,804
NEW COMMODITY CHARGE *	
518.933 x \$ 1,575.00 =	(817,319)
	<hr/>
	<u>\$ 28,485</u>

MONTHLY SERVICE CHARGE * = \$ 28,485 / 12 = \$2,374

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

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CITY CLERK



CITY OF GRAND RAPIDS

December 17, 2009

Ms. Susan Burton, Clerk
Ada Township
7330 Thornapple River Drive
P.O. Box 370
Ada, MI 49301

Dear Ms. Burton:

The "2009 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 6, 2009, followed by a thirty-day comment period.

On December 15, 2009, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2010. 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
Linda Wagenmaker, Financial Analyst

ADA TOWNSHIP

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

SYSTEM REVENUE REQUIREMENTS	\$ 1,480,549
NEW COMMODITY CHARGE *	
699,307 x \$1.36 =	(951,058)
	<hr/>
	<u>\$ 529,491</u>

MONTHLY SERVICE CHARGE * = \$529,491 / 12 = \$44,124

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

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

SYSTEM REVENUE REQUIREMENTS	\$ 836,440
NEW COMMODITY CHARGE *	
337.356 x \$ 1,892.00 =	(638,278)
	<hr/>
	<u>\$ 198,162</u>

MONTHLY SERVICE CHARGE * = \$198,162 / 12 = \$16,514

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

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CITY CLERK



CITY OF GRAND RAPIDS

December 17, 2009

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 "2009 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 6, 2009, followed by a thirty-day comment period.

On December 15, 2009, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2010. 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,

Lauri S. Parks
City Clerk

LSP/slz

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Linda Wagenmaker, Financial Analyst

OTTAWA COUNTY

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

SYSTEM REVENUE REQUIREMENTS	\$ 1,214,776
NEW COMMODITY CHARGE *	
909,817 x \$1.34 =	(1,219,155)
	<hr/>
	<u>\$ (4,379)</u>

MONTHLY SERVICE CHARGE * = \$ - / 12 = \$0

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

CITY CLERK



CITY OF GRAND RAPIDS

December 17, 2009

Ms. Crystal Osterink, Clerk
Gaines Charter Township
8555 Kalamazoo Ave., S.E.
Caledonia, MI 49316-8270

Dear Ms. Osterink:

The "2009 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 6, 2009, followed by a thirty-day comment period.

On December 15, 2009, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2010. 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 Buhner, Assistant to the City Manager, Fiscal Services
Linda Wagenmaker, Financial Analyst

GAINES TOWNSHIP

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

SYSTEM REVENUE REQUIREMENTS	\$ 163,576
NEW COMMODITY CHARGE *	
112.141 x \$ 1,229.00 =	(137,821)
	<hr/>
	<u>\$ 25,755</u>

MONTHLY SERVICE CHARGE * = \$ 25,755 / 12 = \$2,146

* NEW RATES EFFECTIVE ON JANUARY 1, 2010

RETAIL RATES - CALENDAR YEAR 2010

**CITY OF GRAND RAPIDS, MICHIGAN
WATER & SEWER RATES FOR GRAND RAPIDS & RETAIL CUSTOMER COMMUNITIES
EFFECTIVE JANUARY 1, 2010**

WATER RATES

COMMODITY	METER CODE	GRAND RAPIDS	WALKER	KENTWOOD	CASCADE	GR. RAPIDS TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP
CHARGE (HCF)		\$ 1.82	\$ 1.70	\$ 1.75	\$ 2.41	\$ 2.02	\$ 4.05	NA
MONTHLY SERVICE CHARGE BY METER SIZE								
3/4" & Less	A	\$ 10.67	\$ 13.11	\$ 16.89	\$ 23.06	\$ 17.42	\$ 9.06	NA
1"	B	\$ 16.06	\$ 20.40	\$ 27.12	\$ 38.09	\$ 28.06	\$ 13.20	NA
1-1/4"	C	\$ 22.99	\$ 29.77	\$ 40.27	\$ 57.41	\$ 41.74	\$ 18.52	NA
1-1/2"	D	\$ 31.46	\$ 41.22	\$ 56.34	\$ 81.02	\$ 58.46	\$ 25.02	NA
2"	E	\$ 53.02	\$ 70.37	\$ 97.25	\$ 141.13	\$ 101.02	\$ 41.57	NA
3"	F	\$ 114.62	\$ 153.66	\$ 214.14	\$ 312.86	\$ 222.62	\$ 88.86	NA
4"	G	\$ 200.86	\$ 270.26	\$ 377.78	\$ 553.29	\$ 392.86	\$ 155.06	NA
6" & Over	H	\$ 447.26	\$ 603.42	\$ 845.34	\$ 1,240.22	\$ 879.26	\$ 344.22	NA

SEWER RATES

COMMODITY	METER CODE	GRAND RAPIDS	WALKER	KENTWOOD	CASCADE	GR. RAPIDS TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP
CHARGE (HCF)		\$ 3.33	\$ 2.78	\$ 2.33	\$ 2.61	\$ 2.55	\$ 11.43	NA
REU Charge (Monthly) *		NA	NA	NA	NA	NA	NA	\$ 64.45
MONTHLY SERVICE CHARGE BY METER SIZE								
3/4" & Less	A	\$ 13.70	\$ 30.83	\$ 6.72	\$ 31.73	\$ 29.78	\$ 36.03	NA
1"	B	\$ 21.94	\$ 52.40	\$ 9.54	\$ 54.00	\$ 50.53	\$ 61.64	NA
1-1/4"	C	\$ 32.54	\$ 80.13	\$ 13.16	\$ 82.63	\$ 77.21	\$ 94.57	NA
1-1/2"	D	\$ 45.50	\$ 114.02	\$ 17.58	\$ 117.62	\$ 109.82	\$ 134.82	NA
2"	E	\$ 78.48	\$ 200.29	\$ 28.84	\$ 206.69	\$ 192.82	\$ 237.27	NA
3"	F	\$ 172.70	\$ 446.78	\$ 61.02	\$ 461.18	\$ 429.98	\$ 529.98	NA
4"	G	\$ 304.61	\$ 791.86	\$ 106.07	\$ 817.46	\$ 762.00	\$ 939.77	NA
6" & Over	H	\$ 681.50	\$ 1,777.82	\$ 234.78	\$ 1,835.42	\$ 1,710.62	\$ 2,110.62	NA

* REU - Residential Equivalent Unit (Wright Township Only)

MONTHLY FIRE PROTECTION RATES - ALL GOVERNMENTAL UNITS

6"	H	\$ 15.00	10"	J	\$ 36.00
8"	I	\$ 24.00	12"	K	\$ 54.00

WHOLESALE RATES - CALENDAR YEAR 2010

CITY OF GRAND RAPIDS, MICHIGAN
WATER AND SEWER RATES FOR WHOLESALE CUSTOMER COMMUNITIES
EFFECTIVE JANUARY 1, 2010

	<u>RATES</u>
EAST GRAND RAPIDS	
WATER - SERVICE (MONTHLY)	\$ 18,821.00
- COMMODITY (100 CF)	1.27
SEWER - SERVICE (MONTHLY)	2,374.00
- COMMODITY (MG)	1,575.00
ADA TWP	
WATER - SERVICE (MONTHLY)	\$ 44,124.00
- COMMODITY (100 CF)	1.36
SEWER - SERVICE (MONTHLY)	16,514.00
- COMMODITY (MG)	1,892.00
OTTAWA COUNTY	
WATER - SERVICE (MONTHLY)	\$ -
- COMMODITY (100 CF)	1.34
GAINES TWP	
SEWER - SERVICE (MONTHLY)	\$ 2,146.00
- COMMODITY (MG)	1,229.00

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