

UTILITY ADVISORY BOARD
Thursday, May 18, 2023
8:30 – 9:30 am
1300 Market Ave SW
AGENDA

1. Approval of Minutes – April 20, 2023
2. Public Comments on Agenda Items
3. Approval of Agenda
4. Hydrant Fee Billing Option – Samarhia Giffel
5. Updates
 - a. April Awards – Jeff McCaul
 - b. Biodigester – Jared Grabinski
6. Partner Community Contract Extensions – Jessica Wood (Dickinson Wright)
7. Public Comments
8. Items from Members
9. Next Meeting – June 15, 2023
10. Adjournment

UTILITY ADVISORY BOARD
Thursday, April 20, 2023
8:30 – 9:30 am
1300 Market Ave SW
AGENDA

Call to Order

The meeting was called to order at 8:33 am by Mr.Hurt.

Members Present

James Ouzts, Sam Giffel, Jim Kirkwood, Darrel Schmalzel, Jeff McCaul, Kolene Allen, Alex Fleet, Tim Burkman, Doug La Fave, Jared Grabinski, Tiffany Berry, Wayne Jernberg, Tai Verbrugge, Jenessa Carter, James Hurt

Other Present

Tim Bradshaw

Approval of Minutes – February 16, 2023

Motion to approve the agenda by Mr. Jernberg, second by Mr. La Fave.

MOTION CARRIED.

Public Comments on Agenda Items

None

Approval of Agenda

Motion to approve the agenda by Mr. Jernberg, second by Mrs. Giffel.

MOTION CARRIED.

Water & Sewer Financials

Fiscal Year 2024 Budget Presentation

Mrs. Carter presented the Water and Sewer FY24 budget; both are continuation budgets, but various outside factors are driving an increase in expenses.

The Water System requested \$58 million for FY24, a 7.8 percent increase from the FY23 amended budget. Ths System is budgeting \$664K (40% increase) for process chemicals and \$791k (23% increase) for electrical costs. Personnel and lead service line replacements (GR only) also impact expenses. The capital budget is \$33 million, which includes fully integrated projects, watermain

replacements projects, and the Coldbrook/Monroe intersection project. The projected average rate increase is 5.5 percent.

Additionally, the System added 1 Utility Aide and 2 Utility Field Operator positions. This was obtained by eliminating a contractual service contract for large valve operations that resulted in an \$80k saving.

The Water Resource Recovery Facility(WRRF) requested \$53.7 million for FY24, an 8.4 percent decrease from the FY23 amended budget. The WRRF is budgeting a \$2.2 million increase in its contractual services and a \$1.1 million increase in electrical & natural gas.

The capital budget is \$15 million, which includes work at the WRRF, lift stations, and sewer main work. The projected average rate increase is 5 percent – a \$3 million RINS revenue is projected for FY24.

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

Quarterly Report

The water revenue is \$5.1 million higher than the previous year. The increase is driven by the increase in water rates that went into effect in January, higher billed volume, wholesale service charges, and the miscellaneous revenue line item. Total expenditures are \$1.2 million higher than the previous year. The water expenses are being driven by an increase in chemical and personnel costs due to the new labor union contracts. The net income for Q3 is \$3.8 million, higher than the previous year.

The sewer revenue is \$3.7 million higher than the previous year. Increased retail service charges, miscellaneous revenue, and renewable natural gas sales drive the increase.

Total expenditures are \$1.1 million higher than the previous year, and the sewer expenses are driven by increased personal, supplies, and capital outlay. The net income for Q3 is \$2.6 million, higher than the previous year.

Add-to-Tax Summer Tax Option – Samarhia Giffel

Mrs. Giffel presented the Add-to-Tax (ATT) Summer Tax Option to the board. Seventy-five accounts are eligible for ATT; after June 1, 2023, the debt will be transferred to the partner community account. Mrs. Giffel said that the number of accounts eligible for ATT has decreased due to new practices implemented in the utility billing office.

Please, contact Mrs. Giffel by May 5th regarding the optional certification/assignment to the 2023 Summer Tax Roll.

Updates

March Awards – Jeff McCaul

One project was awarded to Franklin Holwerda Company for replacing the grit tank at the Water Resource Recovery Facility.

Kent County Community Action Q1 – Samarhia Giffel

Mrs. Giffel presented the first calendar quarter financials for the Water/Sewer Payment Assistance Program. As of March 31, KCCA has utilized \$20k, 56 households have been served, and the average assistance is \$332.56.

Due to the grants available, KCCA has not been utilizing the individual circuit breaker funds, but those grants are to expire by the end of the year. Mrs. Giffel is working with KCCA to market the program differently.

Mr. Hurt asked if the Utility Billing Office saw an uptick in water shutoffs. Mrs. Giffel said no, and her staff has been working to contact customers before they are shutoffs.

Biodigester – Jared Grabinski

Mr. Grabinski said that the staff is in the final stages of the Biodigester, which includes phosphorus recovery. Regarding the Renewable Identification Numbers, the EPA audit is complete; as a result, revenue is being collected.

Mr. Hurt commented that the EPA audit was a tremendous lift and a long process for Wastewater staff. He thanked them for their work.

Public Comments

Mr. Bradshaw thanked Mrs. Carter for her detailed presentation of the Water/Sewer financials. He asked that the agendas be posted online.

Items from Members

Mr. Grabinski said there continues to be an electrical issue with the Biodigester project that has yet to be closed out; staff and the contractor continue to work on the issue.

Next Meeting – May 18, 2023

Adjournment

The meeting was adjourned at 9:26 am by Mr. Hurt.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: May 18, 2023

TO: Utility Advisory Board (UAB), Members

FROM: Samarhia Giffel, Administrative Services Officer II

SUBJECT: Hydrant Fee Billing Option

Pursuant to section 5, paragraph E of the retail water and sanitary sewer service agreement, “A Customer Community may elect to pay a hydrant fee for the operation, maintenance, and use of each fire hydrant within its Utility Services District. The fee per fire hydrant shall be as determined by the Customer Community and the amount paid by the Customer Community shall be a credit to the revenue requirements of the Customer Community in the annual Rate Study.”

The customary annual fee per fire hydrant is equal to the monthly service charge for an 8-inch fire connection in the City, established annually by the water rate study, multiplied by twelve months. Effective January 1, 2023, this fee is \$454.56 (\$37.88 x 12) per fire hydrant. The total number of fire hydrants in each community, as of June 30th annually, is tracked by the Utility Engineering, Distribution and Collection Division (UEDCD) and submitted to the Utility Business Office (UBO) for elected billing purposes on the last business day of each fiscal year. The 2023 hydrant fee billing timeline and previous year’s participation information is presented below.



1. 5/18 Hydrant Fee Presentation to UAB (Memo)
2. 6/23 Election Decision Deadline (Email S. Giffel)
3. 6/30 Hydrant Fee Billed to Community
4. 7/30 Hydrant Fee Due

COMMUNITY	HYDRANTS 2022	HYDRANT FEE 2022	TOTAL 2022	PARTICIPATED 2022
CASCADE TOWNSHIP	1,089	\$442.32	\$481,686.48	NO
GR TOWNSHIP	1,000	\$442.32	\$442,320.00	NO
KENTWOOD	1,384	\$442.32	\$612,170.88	NO
TALLMADGE TOWNSHIP	119	\$442.32	\$52,636.08	YES
WALKER	1,588	\$442.32	\$702,404.16	NO

Please consider this contractual hydrant fee billing option and advise of your community’s respective elections (participation and fees) in writing to Sam Giffel, sgiffel@grcity.us, by no later than June 23, 2023. I can also be reached at (616) 456-4531, if you would like additional clarification.

Samarhia Giffel
 Administrative Services Officer
 Utility Business Office
 Ph: 616.456.4531 Email: sgiffel@grcity.us

**Water/Sewer UAB Report
April 2023**

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Water Fund Authorized NTE Amt	Sewer Fund Authorized NTE Amt	Est. Year for Rates	Integrated (Y/N)
Reconstruction of ROBINSON ROAD from Lake Dr. to 135 Ft. E. of Woodmere Ave and Rotomill/Resurfacing of ROBINSON ROAD from 135 Ft. E. of Woodmere Ave to Plymouth Ave	Kamminga & Roodvoets, Inc.	4/11/2023	11/1/2024	11/14/2025	\$ 790,105.00	\$ 951,455.00	2025/2026	N (GR)
Improvements to Lakeshore Access at 11231 LAKESHORE DRIVE (Galimore Property) and in PUBLIC EASEMENT	Progressive AE, Inc.	4/25/2023			\$ 173,560.00	N/A		Y
Replacement of Private Lead Service Lines at Various Locations Contract 2023-2	SPS Pro Plumbing, LLC	4/25/2023	6/14/2024	6/28/2024	\$ 1,146,600.00	N/A	2025	N (GR)

**PERTINENT INFORMATION FOR
2023 FIFTH EXTENSION TO WATER AND
SANITARY SEWER SERVICE AGREEMENT**

RETAIL		
CUSTOMER	DATE OF MEETINGS	SIGNATURE PARTY UPDATE
Cascade Charter Township	2 nd & 4 th Wednesday	Supervisor = Grace Lesperance Clerk = Susan Slater
Grand Rapids Charter Twp.	1 st & 3 rd Tuesday	Same as 4 th Extension
City of Kentwood	1 st & 3 rd Tuesday	Same as 4 th Extension
Tallmadge Charter Township	2 nd Tuesday	Supervisor = Mark Bennett Clerk = Lenore D. Cook
City of Walker	2 nd & 4 th Monday	Mayor = Gary Carey, Jr. Clerk = Deborah Goudy
Wright Township	2 nd Wednesday	Supervisor = Rick Schoenborn Clerk = Theresa Frank
WHOLESALE		
Ada Township	2 nd & 4 th Monday	Supervisor = Ross Leisman Clerk = Jacqueline Smith
Charter Twp. of Caledonia	1 st & 3 rd Wednesday	Supervisor = Bryan Harrison Clerk = Joni Henry
City of East Grand Rapids	1 st & 3 rd Monday	Mayor = Katie Favale Clerk = Lori Parmenter

**FIFTH EXTENSION TO WATER AND SANITARY
SEWER SERVICE AGREEMENT**

THIS FIFTH EXTENSION TO WATER AND SANITARY SEWER SERVICE AGREEMENT made and executed as of _____, 2023 (hereinafter referred to as the "Fifth Extension"), by and between the **CITY OF GRAND RAPIDS** (hereinafter referred to as the "City") and _____ (hereinafter referred to as the "Customer Community").

RECITALS

A. The City, the Customer Community and certain other customer communities have entered into a Water and Sanitary Sewer Service Agreement dated as of January 1, 1999, as amended (hereinafter referred to as the "Agreement").

B. Section 15 of the Agreement provides that the Agreement shall have an initial term of thirty (30) years commencing January 1, 1999, and ending December 31, 2028.

C. Section 15 of the Agreement further provides that at each successive five (5) year anniversary date of the Agreement the City and the Customer Community agree to consider the approval of a five (5) year extension of the term of the Agreement.

D. The first five (5) year anniversary date of the Agreement was January 1, 2004, and the City and the Customer Community have previously agreed to a five (5) year extension to the term of the Agreement (the "First Extension").

E. The second five (5) year anniversary date of the Agreement was January 1, 2009, and the City and the Customer Community have previously agreed to a five (5) year extension to the term of the Agreement (the "Second Extension").

F. The third five (5) year anniversary date of the Agreement was January 1, 2014, and the City and the Customer Community have previously agreed to a five (5) year extension to the term of the Agreement (the "Third Extension").

G. The fourth five (5) year anniversary date of the Agreement was January 1, 2019, and the City and the Customer Community have previously agreed to a five (5) year extension to the term of the Agreement (the "Fourth Extension").

H. The fifth five (5) year anniversary date of the Agreement will be January 1, 2024, and the City and the Customer Community have agreed to an additional five (5) year extension to the term of the Agreement, i.e., the Fifth Extension.

NOW, THEREFORE, in consideration of the agreements contained in this Fifth Extension and the Agreement, the City and the Customer Community agree as follows:

Section 1. First, Second, Third, and Fourth Extensions. The City and the Customer Community hereby ratify and confirm the First Extension of the Agreement extending the term of the Agreement through December 31, 2033, the Second Extension of the Agreement extending the term of the Agreement through December 31, 2038, the Third Extension of the Agreement extending the term of the Agreement through December 31, 2043, and the Fourth Extension of the Agreement extending the term of the Agreement through December 31, 2048.

Section 2. Fifth Extension. The term of the Agreement is hereby extended an additional five (5) years, i.e., the Fifth Extension, through December 31, 2053.

Section 3. Ratification. The terms and provisions of the Agreement with respect to the City and the Customer Community are in all other respects ratified and confirmed.

IN WITNESS WHEREOF, the City and the Customer Community have caused these presents to be signed by their respective duly authorized officers all as of the day and year first written above.

CITY OF GRAND RAPIDS
"City"

By: _____
Rosalynn Bliss, Mayor

Attest: _____
Joel Hondorp, City Clerk

"Customer Community"

By: _____

Attest: _____

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RECITALS

A. The City, the Customer Community and certain other customer communities have entered into a Water and Sanitary Sewer Service Agreement dated as of January 1, 1999, as amended (hereinafter referred to as the "Agreement").

B. Section 17 of the Agreement provides that the Agreement shall have an initial term of thirty (30) years commencing January 1, 1999, and ending December 31, 2028.

C. Section 17 of the Agreement further provides that at each successive five (5) year anniversary date of the Agreement the City and the Customer Community agree to consider the approval of a five (5) year extension of the term of the Agreement.

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By: _____
Rosalynn Bliss, Mayor

Attest: _____
Joel Hondorp, City Clerk

"Customer Community"

By: _____

Attest: _____