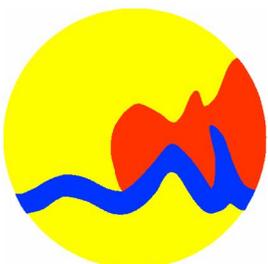


Water / Sewer Rate Study

2007

Final



City of Grand Rapids

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: January 31, 2008

TO: Eric DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: 2007 FINAL WATER/SEWER RATE REVIEW- CALENDAR YEAR 2008
RATES

This is the final report for water and sewer rates effective as of January 1, 2008 for Grand Rapids and all customer communities. The report continues to be two-tiered in nature, calculating recommended rates for customer communities based upon: (a) adherence to the rate-making methodology established in 1976-1977 for customer communities not party to the uniform water and sewer service agreements; (b) rate methodology changes, based upon the uniform service agreements with our UAB partners. Additionally, this rate review marks the second 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 \$128,979 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 relief was provided to Walker. The sewage system provided partial relief to Walker, Kentwood, Cascade, Tallmadge and Wright Townships.

The 2008 water rates reflect increases for electricity, decreased integrated connection fees, decreased circuit breaker relief and decreased billed volume. Sewer rates for 2008 reflect increases for claims, electricity, contractual large sewer cleaning, Indian Mill Creek (IMC) sewer project work, Tallman Creek sewer project, Remembrance Lift Station improvements, decreased integrated connection fees, acquisition of a new sewer vector truck and decreased billed volume.

Summaries of overall revisions for the systems are as follows:

1. Water Supply System revenue requirements increased by \$1,898,663 or 4.95% more than revenues generated by existing rates and charges.
2. Sewage Disposal System revenue requirements increased by \$5,809,992 or 15.73% more than revenues generated by existing rates and charges.

Attached is a schedule of comparative 2007/2008 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 2007/2008 quarterly 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 2008 water and sewer rates to our UAB partners and other customer communities was made on Thursday, November 8, 2007. Concurrence of customer community rates by the City Commission was approved by resolution (#76877) on December 18, 2007.

Public hearings for water and sewer rates and charges in Grand Rapids were held on December 4, 2007. The City Commission resolved (#76856 & #76857) final adoption of water and sewer rate ordinances (2007-69 & 2007-70) on December 18, 2007.

MW

Attachment

Wsrs\07Final-Cover Memo

**CITY OF GRAND RAPIDS, MICHIGAN
2007 FINAL WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON DOMESTIC USERS
BY CUSTOMER COMMUNITY *
January 31, 2008**

	<u>APPROXIMATE QUARTERLY BILL</u>		<u>CHANGE</u>	
	<u>2007</u>	<u>2008</u>	<u>DOLLARS</u>	<u>PERCENT</u>
GRAND RAPIDS				
WATER	\$ 69.72	\$ 72.75	\$ 3.03	4.35%
SEWER	71.40	81.06	9.66	13.53%
	<u>\$ 141.12</u>	<u>\$ 153.81</u>	<u>\$ 12.69</u>	8.99%
BASE RATIO	1.00	1.00		
WALKER				
WATER	\$ 72.06	\$ 75.63	\$ 3.57	4.95%
SEWER	74.05	106.64	32.59	44.01%
	<u>\$ 146.11</u>	<u>\$ 182.27</u>	<u>\$ 36.16</u>	24.75%
RATIO TO GR	1.04	1.19		
KENTWOOD				
WATER	\$ 83.85	\$ 87.09	\$ 3.24	3.86%
SEWER	43.67	50.52	6.85	15.69%
	<u>\$ 127.52</u>	<u>\$ 137.61</u>	<u>\$ 10.09</u>	7.91%
RATIO TO GR	0.90	0.89		
CASCADE TWP				
WATER	\$ 115.20	\$ 119.94	\$ 4.74	4.11%
SEWER	96.02	114.46	18.44	19.20%
	<u>\$ 211.22</u>	<u>\$ 234.40</u>	<u>\$ 23.18</u>	10.97%
RATIO TO GR	1.50	1.52		
GRAND RAPIDS TWP				
WATER	\$ 91.08	\$ 94.74	\$ 3.66	4.02%
SEWER	86.21	100.09	13.88	16.10%
	<u>\$ 177.29</u>	<u>\$ 194.83</u>	<u>\$ 17.54</u>	9.89%
RATIO TO GR	1.26	1.27		
TALLMADGE TWP- Contribution of \$30,000 for 2008				
WATER	\$ 125.82	\$ 131.64	\$ 5.82	4.63%
SEWER (\$30K)	177.20	232.09	54.89	30.98%
	<u>\$ 303.02</u>	<u>\$ 363.73</u>	<u>\$ 60.71</u>	20.03%
RATIO TO GR	2.15	2.36		

* THE COMPARISONS ABOVE ARE BASED ON SYSTEM AVERAGE DOMESTIC CUSTOMER QUARTERLY CONSUMPTION OF : WATER- 27.00 UNITS OR 20,196 GALLONS
SEWER - 19.00 UNITS OR 14,212 GALLONS
NO. OF MONTHS: 3

Note: The average water consumption depicted above reflects a decrease of two (2) units from last year's rate study. (The average quarterly consumption for water & sewer last year was 29 and 19 units, respectively).

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

WRIGHT TWP- Contribution of \$8,000 for 2007 and \$50,000 for 2008

SEWER (No. of REU 1.00)	<u>\$ 146.31</u>	<u>\$ 156.27</u>	<u>\$ 9.96</u>	6.81%
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**CITY OF GRAND RAPIDS, MICHIGAN
2007 FINAL WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON WHOLESALE USERS
January 31, 2008**

	<u>2007</u>	<u>2008</u>	<u>PERCENTAGE CHANGE</u>
EAST GRAND RAPIDS			
WATER - SERVICE (MONTHLY)	\$ 12,812.00	\$ 11,864.00	-7.40%
- COMMODITY (100 CF)	1.01	1.10	8.91%
SEWER - SERVICE (MONTHLY)	1,802.00	2,127.00	18.04%
- COMMODITY (MG)	1,108.00	1,260.00	13.72%
ADA TWP			
WATER - SERVICE	\$ 29,978.00	\$ 32,831.00	9.52%
- COMMODITY	1.09	1.17	7.34%
SEWER - SERVICE	5,288.00	6,102.00	15.39%
- COMMODITY	1,295.00	1,496.00	15.52%
OTTAWA COUNTY			
WATER - SERVICE	\$ -	\$ 198.00	N/A
- COMMODITY	1.11	1.18	6.31%
NORTH KENT AREA			
SEWER - SERVICE	\$ 36,374.00	\$ 37,728.00 *	3.72%
- COMMODITY	1,047.00	1,054.00 *	0.67%
GAINES TWP			
SEWER - SERVICE	\$ 1,423.00	\$ 1,782.00	25.23%
- COMMODITY	1,047.00	1,054.00	0.67%
MEIJER - ALGOMA			
SEWER - SERVICE	\$ 205.00	\$ 235.00	14.63%
- COMMODITY	1,411.00	1,557.00	10.35%

* Rate in effect through October 31, 2008.

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

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

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

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**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
SYSTEM ADDITIONS AND IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2007
TASKS NO. 1, 2, & 3**

COMMUNITY	LOCAL		INTERMEDIATE		PRIMARY		TOTALS	
	FEET	MILES	FEET	MILES	FEET	MILES	FEET	MILES
Grand Rapids								
Construction	5,033	0.95	2,623	0.50		0.00	7,656	1.45
Abandonment	(2,973)	(0.56)	(2,499)	(0.47)		0.00	(5,472)	(1.03)
CSO Construction	7,115	1.35	8,047	1.52		0.00	15,162	2.87
CSO Abandonment	(12,587)	(2.38)	(4,328)	(0.82)		0.00	(16,915)	(3.20)
	(3,412)	(0.64)	3,843	0.73	0	0.00	431	0.09
Kentwood								
Construction	5,634	1.07	1,100	0.21		0.00	6,734	1.28
Abandonment		0.00		0.00		0.00	0	0.00
	5,634	1.07	1,100	0.21	0	0.00	6,734	1.28
Cascade Twp.								
Construction	2,433	0.46	(7)	0.00		0.00	2,426	0.46
Abandonment		0.00		0.00		0.00	0	0.00
	2,433	0.46	(7)	0.00	0	0.00	2,426	0.46
G.R. Twp.								
Construction	3,836	0.73		0.00		0.00	3,836	0.73
Abandonment		0.00		0.00		0.00	0	0.00
	3,836	0.73	0	0.00	0	0.00	3,836	0.73
Tallmadge Twp.								
Construction	1,009	0.19		0.00		0.00	1,009	0.19
Abandonment		0.00		0.00		0.00	0	0.00
	1,009	0.19	0	0.00	0	0.00	1,009	0.19
Walker								
Construction	2,640	0.50	760	0.14		0.00	3,400	0.64
Abandonment		0.00		0.00		0.00	0	0.00
	2,640	0.50	760	0.14	0	0.00	3,400	0.64
TOTAL	12,140	2.31	5,696	1.08	0	-	17,836	3.39

WATER COSTS

COMMUNITY	COMMUNITY COST
Grand Rapids	\$ 206,660
Kentwood	353,078
Cascade Twp.	131,215
Grand Rapids Twp.	298,242
Tallmadge Twp.	49,367
Walker	183,195
TOTAL	\$ 1,221,757

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
OPERATING EXPENSE ALLOCATION BY COST CENTER - TASK #4, PART 1
FISCAL YEAR ENDED JUNE 30, 2007**

ACTIVITY CODE	ACTIVITY	EXPENSE BY ACTIVITY	PUMPING STATIONS			WATERMAINS			RETAIL CUSTOMER METERING	ENGIN. SERVICES	ADMIN. EXPENSE
			FILTRATION PLANT	PRIMARY	INTERM.	PRIMARY TRANSPORT	INTERMED. TRANSPORT	LOCAL DISTRIBUTION			
0430	TREASURER-CUSTOMER SERVICE	\$ 279,932						\$ 279,932			
4312	WATER-CUSTOMER SERVICE *	2,965,812						2,965,812			
4315	ENGINEERING	1,240,663							1,240,663		
4320	COLDBROOK CONTROL	1,427,022	1,427,022								
4322	COLDBROOK DISTRIBUTION	2,275,648	648,645	1,627,003							
4331	FIELD OPERATIONS	6,796,822			320,198	1,712,731	4,763,893				
4342	FILTRATION	6,790,037	6,790,037								
	SUBTOTAL OPERATING EXPENSE	21,775,936	6,790,037	1,627,003	320,198	1,712,731	4,763,893	3,245,744	1,240,663	-	
4311	ADMINISTRATION	2,968,121								2,968,121	
	TOTAL	\$ 24,744,057	\$ 6,790,037	\$ 1,627,003	\$ 320,198	\$ 1,712,731	\$ 4,763,893	\$ 3,245,744	\$ 1,240,663	\$ 2,968,121	

* 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%	28.500%	71.500%						
4331	FIELD OPERATIONS	100.000%			4.711%	25.199%	70.090%			
	TOTAL MILES OF MAIN	1,146.68	54.02	288.95	54.02	288.95	803.71			
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, 2007**

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	\$ 6,790,037	\$ 6,790,037											
PUMPING STATIONS:													
A. PRIMARY TRANSPORT	2,075,667	2,075,667											
B. INTERMEDIATE TRANSPORT	1,627,003		1,272,797	35,776	318,430								
WATERMAINS:													
A. PRIMARY TRANSPORT	320,198		264,125	19,087	27,028		9,958						
B. INTERMEDIATE TRANSPORT	1,712,731		656,696	350,784	318,123		224,710	142,739	19,679				
C. LOCAL DISTRIBUTION	4,763,893		3,537,239	365,009	319,848		252,629	277,735	11,433				
RETAIL CUSTOMER METERING	3,245,744		2,479,618	254,629	211,428		135,899	157,873	6,297				
SUBTOTAL OPERATING EXPENSE	20,535,273	8,865,704	8,210,475	1,025,285	1,194,857		623,196	578,347	37,409				
ENGINEERING SERVICES	1,240,663	535,632	496,042	61,946	72,194		37,654	34,937	2,258				
ADMINISTRATIVE EXPENSE	2,968,121	1,281,428	1,186,714	148,198	172,715		90,082	83,582	5,402				
TOTAL	\$ 24,744,057	\$ 10,682,764	\$ 9,893,231	\$ 1,235,429	\$ 1,433,766		\$ 750,932	\$ 696,866	\$ 45,069				\$

METHOD OF DISTRIBUTION

FILTRATION PLANTS	100.00%	100.00%											
PUMPING STATIONS													
A. PRIMARY TRANSPORT	100.00%	100.00%											
B. INTERMEDIATE TRANSPORT	100.00%		78.229%	2.199%	19.572%								
MEMO													
WATERMAINS													
TOTAL MILES:													
A. PRIMARY TRANSPORT	100.000%		82.488%	5.961%	8.441%		3.110%						
MILES			44.56	3.22	4.56		1.68						
B. INTERMEDIATE TRANSPORT	100.000%		38.342%	20.481%	18.574%		13.120%	8.334%	1.149%				
MILES			110.79	59.18	53.67		37.91	24.08	3.32				
C. LOCAL DISTRIBUTION	100.000%		74.251%	7.662%	6.714%		5.303%	5.830%	0.240%				
MILES			596.76	61.58	53.96		42.62	46.86	1.93				
RETAIL CUSTOMER METERING (1)	100.000%		76.396%	7.845%	6.514%		4.187%	4.864%	0.194%				
NUMBER OF METERS			60,778.00	6,241.00	5,182.00		3,331.00	3,870.00	154.00				
ENGINEERING SERVICES (2)	100.000%		39.982%	4.993%	5.819%		3.035%	2.816%	0.182%				
ADMINISTRATIVE EXPENSE (3)	100.000%		39.982%	4.993%	5.819%		3.035%	2.816%	0.182%				

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, 2007**

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	\$ 286,625					\$ 286,625		
4312	WATER-CUSTOMER SERVICE *	3,007,953					3,007,953		
4315	ENGINEERING	1,263,118						1,263,118	
4320	COLDBROOK CONTROL	1,457,724	1,457,724						
4322	COLDBROOK DISTRIBUTION	2,324,261	662,500	1,661,761					
4331	FIELD OPERATIONS	7,136,820			336,216	1,798,407			
4342	FILTRATION	6,865,771		6,865,771					
	SUBTOTAL OPERATING EXPENSE	22,342,272	2,120,224	1,661,761	336,216	1,798,407	3,294,578	1,263,118	-
4311	ADMINISTRATION	3,027,048							3,027,048
	TOTAL	\$ 25,369,320	\$ 2,120,224	\$ 1,661,761	\$ 336,216	\$ 1,798,407	\$ 3,294,578	\$ 1,263,118	\$ 3,027,048

* 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%	28.500%	71.500%					
4331	FIELD OPERATIONS	100.000%			4.711%	25.199%	70.090%		
	TOTAL MILES OF MAIN	1,146.68			54.02	288.95	803.71		
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, 2007**

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	\$ 6,865,771	\$ 6,865,771											
PUMPING STATIONS:													
A. PRIMARY TRANSPORT	2,120,224	2,120,224											
B. INTERMEDIATE TRANSPORT	1,661,761		1,299,988	36,541	325,232								
WATERMAINS:													
A. PRIMARY TRANSPORT	336,216		277,338	20,042	28,380		10,456						
B. INTERMEDIATE TRANSPORT	1,798,407		689,545	368,332	334,036		235,951	149,879		20,664			
C. LOCAL DISTRIBUTION	5,002,197		3,714,181	383,268	335,848		265,267	291,628		12,005			
RETAIL CUSTOMER METERING	3,294,578		2,516,926	258,460	214,609		137,944	160,248		6,391			
SUBTOTAL OPERATING EXPENSE	21,079,154	8,985,995	8,497,978	1,066,643	1,238,105		649,618	601,755		39,060			
ENGINEERING SERVICES	1,263,118	538,454	509,226	63,914	74,196		38,929	36,062		2,337			
ADMINISTRATIVE EXPENSE	3,027,048	1,290,400	1,220,354	153,169	177,809		93,294	86,422		5,600			
TOTAL	\$ 25,369,320	\$ 10,814,849	\$ 10,227,558	\$ 1,283,726	\$ 1,490,110		\$ 781,841	\$ 724,239		\$ 46,997			\$ -

METHOD OF DISTRIBUTION

FILTRATION PLANTS	100.00%	100.00%											
PUMPING STATIONS													
A. PRIMARY TRANSPORT	100.00%	100.00%											
B. INTERMEDIATE TRANSPORT	100.00%		78.229%	2.199%	19.572%								
MEMO													
WATERMAINS													
TOTAL MILES:	1,146.68												
A. PRIMARY TRANSPORT			82.488%	5.961%	8.441%		3.110%						
MILES	54.02		44.56	3.22	4.56		1.68						
B. INTERMEDIATE TRANSPORT			38.342%	20.481%	18.574%		13.120%	8.334%		1.149%			
MILES	288.95		110.79	59.18	53.67		37.91	24.08		3.32			
C. LOCAL DISTRIBUTION			74.251%	7.662%	6.714%		5.303%	5.830%		0.240%			
MILES	803.71		596.76	61.58	53.96		42.62	46.86		1.93			
RETAIL CUSTOMER METERING (1)			76.396%	7.845%	6.514%		4.167%	4.864%		0.194%			
NUMBER OF METERS	79,556.00		60,778.00	6,241.00	5,182.00		3,331.00	3,870.00		154.00			
ENGINEERING SERVICES (2)			100.000%	5.060%	5.874%		3.082%	2.855%		0.185%			
ADMINISTRATIVE EXPENSE (3)			100.000%	5.060%	5.874%		3.082%	2.855%		0.185%			

NOTES:
 (1) ALLOCATION BASED ON NUMBER OF METERS.
 (2) ALLOCATION BASED ON DIRECT OPERATING EXPENSE.
 (3) ALLOCATION BASED ON 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, 2007
 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	\$ 46,377.32	\$ 26,413.41	\$ 72,790.73
706	PERMANENT EMPLOYEES	536,308.86	-	536,308.86
709	TIME & ONE-HALF	450.44	-	450.44
710	ACT.ASSIGNMENT	151.16	-	151.16
715	EMPLOYERS SOCIAL SECURITY	39,254.07	-	39,254.07
717	SPECIAL PENSION BENEFITS	21,537.89	-	21,537.89
719	HOSPITALIZATION INSURANCE	80,530.47	15,220.26	95,750.73
721	LONGEVITY PAY	6,095.95	-	6,095.95
722	RETIREMENT FUND CONTRIBUTION	66,289.31	(17,831.82)	48,457.49
	TOTAL PERSONAL SERVICES	<u>796,995.47</u>	<u>23,801.85</u>	<u>820,797.32</u>
728	SUPPLIES	1,157.53	-	1,157.53
	TOTAL SUPPLIES	<u>1,157.53</u>	<u>-</u>	<u>1,157.53</u>
810	BAD DEBT WRITE-OFFS	5,198.17	-	5,198.17
814	COMPUTER SERVICES	395,478.36	-	395,478.36
818	CONTRACTUAL SERVICES	16,780.31	-	16,780.31
835	FEES	3,540.45	-	3,540.45
872	PROFESSIONAL DEVELOPMENT	10,976.33	-	10,976.33
873	OTHER TRAVEL AND TRAINING	21,643.83	-	21,643.83
874	LOCAL BUSINESS EXPENSE	1,178.10	-	1,178.10
875	MEMBERSHIPS	20,811.31	-	20,811.31
876	PUBLICATIONS AND SUBSCRIPTIONS	4,201.62	-	4,201.62
880	COMMUNITY PROMOTION	117.58	-	117.58
912	CLAIMS	37,373.29	-	37,373.29
919	INSURANCE PREMIUMS	257,832.64	-	257,832.64
928	TELEPHONE	9,911.90	-	9,911.90
945	LAND RENTAL OR LEASE	1,477.32	-	1,477.32
947	VEHICLE RENTAL/CAR MILEAGE	4,012.75	-	4,012.75
	TOTAL OTHER SERVICES & CHARGES	<u>790,533.96</u>	<u>-</u>	<u>790,533.96</u>
982	EQUIPMENT	27,970.22	-	27,970.22
	TOTAL CAPITAL	<u>27,970.22</u>	<u>-</u>	<u>27,970.22</u>
999	OPERATING TRANSFERS OUT	1,351,464.00	35,125.00	1,386,589.00
	TOTAL TRANSFERS/FEES	<u>1,351,464.00</u>	<u>35,125.00</u>	<u>1,386,589.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,968,121.18</u>	<u>\$ 58,926.85</u>	<u>\$ 3,027,048.03</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2007
 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	\$ 206,979.08	\$ 87,430.09	294,409.17
706	PERMANENT EMPLOYEES	2,165,155.15	-	2,165,155.15
707	TEMPORARY EMPLOYEES	121,624.87	-	121,624.87
708	SHIFT DIFFERENTIAL	923.70	-	923.70
709	TIME & ONE-HALF	130,818.66	-	130,818.66
710	ACT.ASSIGNMENT	9,209.79	-	9,209.79
712	UNEMPLOYMENT COMPENSATION	11,936.44	-	11,936.44
715	EMPLOYERS SOCIAL SECURITY	187,361.34	-	187,361.34
719	HOSPITALIZATION INSURANCE	570,290.68	107,784.94	678,075.62
721	LONGEVITY PAY	28,653.87	-	28,653.87
722	RETIREMENT FUND CONTRIBUTION	356,917.13	(96,010.71)	260,906.42
	TOTAL PERSONAL SERVICES	<u>3,789,870.71</u>	<u>99,204.32</u>	<u>3,889,075.03</u>
728	SUPPLIES	36,148.74	-	36,148.74
730	POSTAGE	234,576.66	-	234,576.66
	TOTAL SUPPLIES	<u>270,725.40</u>	<u>-</u>	<u>270,725.40</u>
814	COMPUTER SERVICES	671,390.04	-	671,390.04
818	CONTRACTUAL SERVICES	343,139.04	-	343,139.04
848	SUBSIDY	58,212.00	(58,212.00)	-
876	PUBLICATIONS AND SUBSCRIPTIONS	411.60	-	411.60
880	COMMUNITY PROMOTION	228.51	-	228.51
900	PRINTING & PUBLISHING	16,062.06	-	16,062.06
928	TELEPHONE	20,837.14	-	20,837.14
930	MAINTENANCE REPAIR	391,681.48	40,500.00	432,181.48
943	EQUIPMENT RENTALS OR LEASE	124,786.34	-	124,786.34
947	VEHICLE RENTAL/CAR MILEAGE	7,671.26	-	7,671.26
	TOTAL OTHER SERVICES & CHARGES	<u>1,634,419.47</u>	<u>(17,712.00)</u>	<u>1,616,707.47</u>
981	FURNITURE	9,756.00	-	9,756.00
982	EQUIPMENT	15,530.13	-	15,530.13
	TOTAL CAPITAL	<u>25,286.13</u>	<u>-</u>	<u>25,286.13</u>
999	OPERATING TRANSFERS OUT	15,000.00	-	15,000.00
	TOTAL TRANSFERS/FEEES	<u>15,000.00</u>	<u>-</u>	<u>15,000.00</u>
	ORGANIZATIONAL UNIT TOTAL (GROSS)	\$ 5,735,301.71	\$ 81,492.32	\$ 5,816,794.03
	LESS: SDSF CONTRIBUTION *	(2,769,489.92)	(39,351.40)	(2,808,841.32)
	ORGANIZATIONAL UNIT TOTAL (NET)	<u>\$ 2,965,811.79</u>	<u>\$ 42,140.92</u>	<u>\$ 3,007,952.71</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, 2007
 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	\$ 67,904.33	\$ 25,305.88	\$ 93,210.21
706	PERMANENT EMPLOYEES	689,392.53	-	689,392.53
707	TEMPORARY EMPLOYEES	15,557.94	-	15,557.94
709	TIME & ONE-HALF	1,210.86	-	1,210.86
710	ACT.ASSIGNMENT	1,324.00	-	1,324.00
712	UNEMPLOYMENT COMPENSATION	5,456.00	-	5,456.00
715	EMPLOYERS SOCIAL SECURITY	55,393.60	-	55,393.60
719	HOSPITALIZATION INSURANCE	146,211.73	27,634.02	173,845.75
721	LONGEVITY PAY	5,169.38	-	5,169.38
722	RETIREMENT FUND CONTRIBUTION	113,325.79	(30,484.64)	82,841.15
	TOTAL PERSONAL SERVICES	<u>1,100,946.16</u>	<u>22,455.26</u>	<u>1,123,401.42</u>
728	SUPPLIES	11,034.40	-	11,034.40
	TOTAL SUPPLIES	<u>11,034.40</u>	<u>-</u>	<u>11,034.40</u>
818	CONTRACTUAL SERVICES	7,154.40	-	7,154.40
928	TELEPHONE	7,748.72	-	7,748.72
930	MAINTENANCE REPAIR	319.80	-	319.80
943	EQUIPMENT RENTALS OR LEASE	54,329.78	-	54,329.78
947	VEHICLE RENTAL/CAR MILEAGE	1,764.75	-	1,764.75
	TOTAL OTHER SERVICES & CHARGES	<u>71,317.45</u>	<u>-</u>	<u>71,317.45</u>
999	OPERATING TRANSFERS OUT	57,364.99	-	57,364.99
	TOTAL TRANSFERS/FEEES	<u>57,364.99</u>	<u>-</u>	<u>57,364.99</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 1,240,663.00</u>	<u>\$ 22,455.26</u>	<u>\$ 1,263,118.26</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2007
 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	\$ 77,585.43	\$ 33,233.69	\$ 110,819.12
706	PERMANENT EMPLOYEES	815,415.84	-	815,415.84
708	SHIFT DIFFERENTIAL	7,995.42	-	7,995.42
709	TIME & ONE-HALF	27,750.56	-	27,750.56
710	ACT.ASSIGNMENT	290.77	-	290.77
714	REGULAR HOURLY RATE	3,479.25	-	3,479.25
715	EMPLOYERS SOCIAL SECURITY	66,118.11	-	66,118.11
719	HOSPITALIZATION INSURANCE	179,886.09	33,998.47	213,884.56
721	LONGEVITY PAY	10,360.00	-	10,360.00
722	RETIREMENT FUND CONTRIBUTION	135,799.89	(36,530.17)	99,269.72
	TOTAL PERSONAL SERVICES	<u>1,324,681.36</u>	<u>30,701.99</u>	<u>1,355,383.35</u>
728	SUPPLIES	7,732.85	-	7,732.85
	TOTAL SUPPLIES	<u>7,732.85</u>	<u>-</u>	<u>7,732.85</u>
928	TELEPHONE	49,620.39	-	49,620.39
930	MAINTENANCE REPAIR	23,693.48	-	23,693.48
943	EQUIPMENT RENTALS OR LEASE	18,977.50	-	18,977.50
947	VEHICLE RENTAL/CAR MILEAGE	543.00	-	543.00
	TOTAL OTHER SERVICES & CHARGES	<u>92,834.37</u>	<u>-</u>	<u>92,834.37</u>
982	EQUIPMENT	1,773.41	-	1,773.41
	TOTAL CAPITAL	<u>1,773.41</u>	<u>-</u>	<u>1,773.41</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 1,427,021.99</u>	<u>\$ 30,701.99</u>	<u>\$ 1,457,723.98</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2007
 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	\$ 46,883.26	\$ 18,388.29	\$ 65,271.55
706	PERMANENT EMPLOYEES	481,377.65	-	481,377.65
707	TEMPORARY EMPLOYEES	2,448.00	-	2,448.00
709	TIME & ONE-HALF	6,257.91	-	6,257.91
710	ACT.ASSIGNMENT	26.95	-	26.95
714	REGULAR HOURLY RATE	181.88	-	181.88
715	EMPLOYERS SOCIAL SECURITY	37,642.46	-	37,642.46
719	HOSPITALIZATION INSURANCE	114,320.89	21,606.65	135,927.54
721	LONGEVITY PAY	4,997.50	-	4,997.50
722	RETIREMENT FUND CONTRIBUTION	82,090.71	(22,082.40)	60,008.31
	TOTAL PERSONAL SERVICES	<u>776,227.21</u>	<u>17,912.54</u>	<u>794,139.75</u>
728	SUPPLIES	105,899.88	-	105,899.88
768	CLOTHING/CLEANING ALLOWANCE	964.50	-	964.50
	TOTAL SUPPLIES	<u>106,864.38</u>	<u>-</u>	<u>106,864.38</u>
814	COMPUTER SERVICES	23,252.40	-	23,252.40
818	CONTRACTUAL SERVICES	1,625.00	-	1,625.00
921	ELECTRICITY	1,188,377.88	-	1,188,377.88
922	WATER	2,494.92	-	2,494.92
923	GAS	82,161.22	-	82,161.22
930	MAINTENANCE REPAIR	33,536.34	30,700.00	64,236.34
943	EQUIPMENT RENTALS OR LEASE	52,257.70	-	52,257.70
947	VEHICLE RENTAL/CAR MILEAGE	25.00	-	25.00
959	REFUSE COLLECTION CHARGES	4,402.69	-	4,402.69
	TOTAL OTHER SERVICES & CHARGES	<u>1,388,133.15</u>	<u>30,700.00</u>	<u>1,418,833.15</u>
974	LAND IMPROVEMENTS	1,799.15	-	1,799.15
982	EQUIPMENT	2,624.16	-	2,624.16
	TOTAL CAPITAL	<u>4,423.31</u>	<u>-</u>	<u>4,423.31</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,275,648.05</u>	<u>\$ 48,612.54</u>	<u>\$ 2,324,260.59</u>

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2007
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	\$ 201,101.86	\$ 84,740.23	\$ 285,842.09
706	PERMANENT EMPLOYEES	2,106,024.82	-	2,106,024.82
707	TEMPORARY EMPLOYEES	37,032.58	-	37,032.58
708	SHIFT DIFFERENTIAL	2,087.68	-	2,087.68
709	TIME & ONE-HALF	340,106.88	-	340,106.88
710	ACT.ASSIGNMENT	1,694.99	-	1,694.99
715	EMPLOYERS SOCIAL SECURITY	187,803.79	-	187,803.79
719	HOSPITALIZATION INSURANCE	484,695.49	91,607.45	576,302.94
721	LONGEVITY PAY	23,946.02	-	23,946.02
722	RETIREMENT FUND CONTRIBUTION	346,354.54	(93,169.37)	253,185.17
	TOTAL PERSONAL SERVICES	<u>3,730,848.65</u>	<u>83,178.31</u>	<u>3,814,026.96</u>
728	SUPPLIES/INVENTORY	52,050.01	-	52,050.01
730	POSTAGE	33.20	-	33.20
785	PAVEMENT REPAIR	1,024,342.84	256,820.00	1,281,162.84
	TOTAL SUPPLIES	<u>1,076,426.05</u>	<u>256,820.00</u>	<u>1,333,246.05</u>
814	COMPUTER SERVICES	21,314.64	-	21,314.64
818	CONTRACTUAL SERVICES	13,633.84	-	13,633.84
921	ELECTRICITY	46,409.06	-	46,409.06
922	WATER	698.72	-	698.72
923	GAS	34,945.85	-	34,945.85
928	TELEPHONE	20,663.19	-	20,663.19
930	MAINTENANCE REPAIR	1,045,185.13	-	1,045,185.13
931	HOME REPAIR	389.00	-	389.00
943	EQUIPMENT RENTALS OR LEASE	794,495.30	-	794,495.30
947	VEHICLE RENTAL/CAR MILEAGE	2,217.25	-	2,217.25
	TOTAL OTHER SERVICES & CHARGES	<u>1,979,951.98</u>	<u>-</u>	<u>1,979,951.98</u>
982	EQUIPMENT	9,595.04	-	9,595.04
	TOTAL CAPITAL	<u>9,595.04</u>	<u>-</u>	<u>9,595.04</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 6,796,821.72</u>	<u>\$ 339,998.31</u>	<u>\$ 7,136,820.03</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2007
 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	\$ 211,871.70	\$ 85,602.34	\$ 297,474.04
706	PERMANENT EMPLOYEES	2,194,825.30	-	2,194,825.30
708	SHIFT DIFFERENTIAL	7,807.63	-	7,807.63
709	TIME & ONE-HALF	73,938.90	-	73,938.90
710	ACT.ASSIGNMENT	(51.97)	-	(51.97)
714	REGULAR HOURLY RATE	2,370.60	-	2,370.60
715	EMPLOYERS SOCIAL SECURITY	176,964.45	-	176,964.45
719	HOSPITALIZATION INSURANCE	472,253.83	89,255.97	561,509.80
721	LONGEVITY PAY	21,821.83	-	21,821.83
722	RETIREMENT FUND CONTRIBUTION	368,490.62	(99,123.98)	269,366.64
	TOTAL PERSONAL SERVICES	<u>3,530,292.89</u>	<u>75,734.33</u>	<u>3,606,027.22</u>
728	SUPPLIES	815,354.94	-	815,354.94
730	POSTAGE	185.15	-	185.15
768	CLOTHING/CLEANING ALLOWANCE	2,164.75	-	2,164.75
	TOTAL SUPPLIES	<u>817,704.84</u>	<u>-</u>	<u>817,704.84</u>
814	COMPUTER SERVICES	39,881.76	-	39,881.76
818	CONTRACTUAL SERVICES	110,599.87	-	110,599.87
875	MEMBERSHIPS	400.00	-	400.00
921	ELECTRICITY	1,576,925.10	-	1,576,925.10
923	GAS	345,773.95	-	345,773.95
928	TELEPHONE	37,658.56	-	37,658.56
930	MAINTENANCE REPAIR	211,860.13	-	211,860.13
943	EQUIPMENT RENTALS OR LEASE	77,236.99	-	77,236.99
947	VEHICLE RENTAL/CAR MILEAGE	1,629.00	-	1,629.00
959	REFUSE COLLECTION CHARGES	1,627.26	-	1,627.26
	TOTAL OTHER SERVICES & CHARGES	<u>2,403,592.62</u>	<u>-</u>	<u>2,403,592.62</u>
982	EQUIPMENT	38,446.59	-	38,446.59
	TOTAL CAPITAL	<u>38,446.59</u>	<u>-</u>	<u>38,446.59</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 6,790,036.94</u>	<u>\$ 75,734.33</u>	<u>\$ 6,865,771.27</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2007
 RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 0430- TREASURER- CUSTOMER SERV'S

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ 13,424.90	\$ 5,576.30	\$ 19,001.20
706	PERMANENT EMPLOYEES	139,853.96	-	139,853.96
707	TEMPORARY EMPLOYEES	8,755.74	-	8,755.74
710	ACT.ASSIGNMENT	256.91	-	256.91
715	EMPLOYERS SOCIAL SECURITY	11,014.79	-	11,014.79
719	HOSPITALIZATION INSURANCE	39,337.78	7,434.84	46,772.62
721	LONGEVITY PAY	1,734.74	-	1,734.74
722	RETIREMENT FUND CONTRIBUTION	23,488.48	(6,318.40)	17,170.08
	TOTAL PERSONAL SERVICES	<u>237,867.30</u>	<u>6,692.74</u>	<u>244,560.04</u>
728	SUPPLIES	3,970.22	-	3,970.22
	TOTAL SUPPLIES	<u>3,970.22</u>	<u>-</u>	<u>3,970.22</u>
814	COMPUTER SERVICES	690.96	-	690.96
818	CONTRACTUAL SERVICES	5,523.90	-	5,523.90
835	FEES	23,567.41	-	23,567.41
928	TELEPHONE	811.71	-	811.71
930	MAINTENANCE REPAIR	1,754.80	-	1,754.80
942	BUILDINGS RENTALS OR LEASE	5,676.16	-	5,676.16
947	VEHICLE RENTAL/CAR MILEAGE	70.00	-	70.00
	TOTAL OTHER SERVICES & CHARGES	<u>38,094.94</u>	<u>-</u>	<u>38,094.94</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 279,932.46</u>	<u>\$ 6,692.74</u>	<u>\$ 286,625.20</u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 15, 2007

TO: Michael Wolski
Utility Financial Officer

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: 2007 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, 2007.

NON-INTEGRATED

4311- Administration	\$2,968,121
4312- Customer Services	6,015,234
4315- Engineering	1,240,663
4331- Field Operations	6,796,822

INTEGRATED

4342- Lake Mi. Filtration	6,790,037
---------------------------	-----------

INTEGRATED & NON-INTEGRATED

4320- Coldbrook Control	1,427,022
4322- Coldbrook Distribution	2,275,648

Attached is the calculation of integrated and non-integrated adjusted expenses for Coldbrook Distribution (4322) for 2007.

LW

Attachment

wrs\lwtask4 2007

ALLOCATION OF COLDBROOK PUMPING TO WATER PUMPING FACILITIES

STATION	ENERGY COST	PERCENT	EXPENDITURE ALLOCATION	
			ACTUAL	ADJUSTED
ALGER	\$ 42,141	3.55%	\$ 80,696	\$ 82,420
BOOSTER A	9,364	0.79%	17,931	18,314
BOOSTER D	57,266	4.82%	109,660	112,002
BRISTOL	18,683	1.57%	35,776	36,541
COLDBROOK	241,516	20.32%	462,485	472,365
COVELL	62,865	5.29%	120,381	122,953
EAST PARIS	166,289	13.99%	318,430	325,232
FRANKLIN	278,702	23.45%	533,692	545,093
LEFFINGWELL	41,089	3.46%	78,682	80,363
LIVINGSTON	145,688	12.26%	278,981	284,940
WILSON	43,230	3.64%	82,782	84,550
BURTON	53,986	4.54%	103,379	105,587
DEAN LAKE	27,559	2.32%	52,773	53,901
TOTAL	<u>\$ 1,188,378</u>	<u>100.00%</u>	<u>\$ 2,275,648</u>	<u>\$ 2,324,261</u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: September 19, 2007

TO: Mike Wolski
Utility Financial Officer

FROM: Scott Buhre 
Chief Financial Officer

SUBJECT: 2007 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.

RECEIVED

SEP 21 2007

**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, 2007**

Sub-Object – 703

The factor to establish calendar year 2008's retiree health care cost is 13.42%. The total of calendar year 2008's wages (sub-object 706) and longevity (sub-object 721) multiplied by this factor will establish the cost for calendar year 2008. The retiree health cost for calendar year 2008 was 14.05% per the City's actuary. I suggest using a blended rate for FY2009 of 13.74%.

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

The wage increase factor to translate FY2007 actual costs to estimated calendar 2008 will be 0.0%. All labor contracts had expired by 6/30/07. Wage increases that may be effective as of 1/1/08 cannot be estimated.

Sub-Object – 715

There will be no change in FICA expense because of the 0.0% wage increase estimate.

Sub-Object – 719

Increase FY2007 health insurance actual by 18.9% to reflect rate changes effective in FY2008.

Sub-Object – 722

Decrease FY2007 actual pension expense by 26.9% to reflect the effect of a General Pension rate change dropping from 16.91% to 12.36%. There is no wage effect on the calculation as the wage change is estimated to be 0.0% at this time.

Personnel Costs - Generally

The City anticipates a 6.4% reduction in personnel costs as of the effective date of new labor contracts.

Sub-Object – 999

Administration – Adjust FY2007 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 26, 2007

TO: Michael Wolski
Utility Financial Officer

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: 2007 WATER RATE STUDY- TASK #5

Known cost increases by which to adjust FY07 operating costs include fund carry-forwards for projects that were not completed prior to June 30, 2007, are as follows:

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
4312-930	Etna Supply Co	40,500
4322-930	Ostrander Siding & Roofing Inc	30,700
4331-785	Nagel Construction Inc	115,634
4331-785	Nagel Construction Inc	51,868
4331-785	Burns Contracting	56,648
4331-785	Pavement Restoration of MI Inc	32,670

LW

wrs\wtask5 2007

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 15, 2007

TO: Michael Wolski
Utility Financial Officer

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: 2007 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, 2007, and volume comparisons for the past five (5) years by governmental unit and for the total system.

LW

Attachment

wrslwtask6 2007

**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, 2007:

RETAIL:	SALES REVENUE			VOLUME BILLED
	A	B	C	(GALLONS)
CITY OF GRAND RAPIDS (1)	\$ 22,461,067.96		\$ 61,650.00	7,366,097,552
CITY OF WALKER	2,888,511.42			1,032,300,588
CITY OF KENTWOOD	3,895,499.57			1,353,812,680
CASCADE TOWNSHIP	2,963,475.81	37,800.00		708,112,152
GRAND RAPIDS TOWNSHIP	1,982,675.99	25,020.00		538,271,272
TALLMADGE TOWNSHIP	106,379.33	11,904.00		17,032,708
SUB-TOTAL RETAIL (2)	<u>\$ 34,297,610.08</u>	<u>\$ 74,724.00</u>	<u>\$ 61,650.00</u>	<u>11,015,626,952</u>
WHOLESALE:				
CITY OF E. GRAND RAPIDS	\$ 785,680.70			460,521,160
OTTAWA CO. (3)	1,176,983.44	1,536.00		716,087,328
ADA TOWNSHIP	1,162,648.79			542,697,188
SUB-TOTAL WHOLESALE	<u>\$ 3,125,312.93</u>	<u>\$ 1,536.00</u>	<u>\$ -</u>	<u>1,719,305,676</u>
TOTAL	<u>\$ 37,422,923.01</u>	<u>\$ 76,260.00</u>	<u>\$ 61,650.00</u>	<u>12,734,932,628</u>

REVENUE CLASSIFICATION:

A) 4311 - 642008 OTTAWA COUNTY WATER SALES	\$ 1,176,983.44
4311 - 642011 RETAIL METERED WATER SALES	34,286,329.09
4311 - 642012 E. GRAND RAPIDS WATER SALES	785,680.70
4311 - 642013 WYOMING WATER SALES	11,280.99
4311 - 642021 ADA WATER SALES	1,162,648.79
SUB-TOTAL	<u>\$ 37,422,923.01</u>
B) 4311 - 607048 FIRE HYDRANT BILLINGS	<u>\$ 76,260.00</u>
C) 4311 - 642024 UNMETERED WATER SALES	<u>\$ 61,650.00</u>
TOTAL	<u>\$ 37,560,833.01</u>

- (1) THE VOLUME & DOLLAR AMOUNT FOR THE CITY OF WYOMING ARE INCLUDED IN THE GRAND RAPIDS TOTALS.
- (2) A REVENUE ACCRUAL OF (\$222,989), (71,478,573) GALLONS HAS BEEN PRORATED TO ALL RETAIL CUSTOMER COMMUNITIES TO ACCRUE BILLINGS FROM THE LAST READING DATE THROUGH JUNE 30, 2007.
- (3) THE VOLUME EXCLUDES BILLINGS (92,438 HCF) FOR THE SUPPLEMENTAL AGREEMENT, DATED 5/13/2004 (aka, NOWS AGREEMENT), WITH OTTAWA FOR THE PERIOD JULY 1, 2006 TO JUNE 30, 2007.

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
2007 RATE STUDY TASK NO. 6**

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

MUNICIPALITY	FY03		FY04		FY05		FY06		FY07		FY03 - FY07 % CHANGE
	VOL BILLED	% CHANGE									
GRAND RAPIDS	8,286,321	-6.37%	7,758,545	-4.46%	7,412,265	6.08%	7,863,078	6.08%	7,366,098	-6.32%	-11.11%
WALKER	1,008,905	-2.34%	985,279	9.87%	1,082,569	0.04%	1,083,040	0.04%	1,032,301	-4.68%	2.32%
KENTWOOD	1,302,317	-5.24%	1,234,019	-0.59%	1,226,745	15.14%	1,412,532	15.89%	1,353,813	-4.16%	3.95%
CASCADE TWP	682,002	-9.72%	615,680	1.81%	626,819	18.99%	726,395	18.99%	708,112	-2.52%	3.83%
GRAND RAPIDS TWP	487,681	-6.10%	457,949	2.23%	468,148	33.97%	557,041	33.97%	538,271	-3.37%	10.37%
TALLMADGE TWP	15,280	-20.08%	12,212	11.55%	13,623	-4.75%	18,251	15.08%	17,033	-6.67%	11.47%
EAST GRAND RAPIDS	588,220	-23.91%	447,559	15.52%	517,026	15.52%	492,470	15.08%	460,521	-6.49%	-21.71%
ST. JOHNS TWP	626,739	-7.98%	576,716	17.37%	676,916	17.37%	778,965	15.08%	716,087	-8.07%	14.26%
ADA TWP	421,983	3.17%	435,365	11.18%	484,021	2.28%	495,043	2.28%	542,697	9.63%	28.61%
TOTAL	13,419,448	-6.68%	12,523,324	-0.12%	12,508,132	7.34%	13,426,815	7.34%	12,734,933	-5.15%	-5.10%
VOLUME PUMPED	15,164,000		14,065,000		14,713,000		14,812,000		14,705,000		
% BILLED TO PUMPED	88.5%		89.0%		85.0%		90.6%		86.6%		
GRAND RAPIDS VOLUME COMPARED TO CUSTOMER COMMUNITIES											
VOLUME = 1,000 GALLONS	61.75%	% OF TOTAL	7,758,545	% OF TOTAL	7,412,265	% OF TOTAL	7,863,078	% OF TOTAL	7,366,098	% OF TOTAL	
GRAND RAPIDS	38.25%		4,764,779		5,095,867		5,563,737		5,368,835		
CUSTOMER COMMUNITIES	100.00%		12,523,324		12,508,132		13,426,815		12,734,933		
TOTAL	100.00%	% OF TOTAL	12,523,324	100.00%	12,508,132	100.00%	13,426,815	100.00%	12,734,933	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	\$ 9,300.00
4311-476010	PAVING PERMITS	-
4311-476012	TAPPING PERMITS	6,130.00
4311-607001	MISCELLANEOUS SERVICE FEES	1,337.35
4311-607027	INSPECTION FEES - UTILITIES	31,295.00
4311-607034	MONTHLY STATEMENT SERVICE FEES	197,512.76
4311-607043	PRELIM/DESIGN/CONSTR ENGINEERING	130,616.89
4311-607049	SERVICES FOR CONTRACTORS	112,690.99
4311-607052	METER SETTING FEES	14,780.00
4311-659002	PENALTY FINES *	-
		<u>\$ 503,662.99</u>

CREDIT: UNDERUTILIZATION OF PENALTY CREDIT FROM PREVIOUS YEAR \$ 116,101.00

OTHER OPERATING REVENUES NOT INCLUDED:

CAPITAL CONTRIBUTION & LAKELINE CREDIT

4311-607051	WATER FRONT FOOTAGE	\$ 234,589.23
4311-607053	INTEGRATED WATER CONNECTION	1,132,446.00
		<u>\$ 1,367,035.23</u>

OFFSETTING CREDIT TO CUSTOMER ACCOUNTING ACTIVITY EXPENSES:

4311-699001	BILLABLE EXPENSE - SEWAGE DISPOSAL SYSTEM *	<u>\$ 2,769,489.92</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 23, 2007

TO: Linda Wagenmaker
Financial Analyst

FROM: Joellen C. Thompson, P.E. 
Acting Water System Manager

SUBJECT: 2007 WATER RATE STUDY- TASK #8

No significant changes in operating levels are anticipated to take effect by January 1, 2008, which would require adjustments to operating costs for the test period.

JTLW

wrslwtask8 2007

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2007

TO: Linda Wagenmaker
Financial Analyst

FROM: Joellen C. Thompson, P.E.
Acting Water System Manager 

SUBJECT: 2007 WATER RATE STUDY- TASK #9

No significant changes in water revenues are anticipated to take effect by January 1, 2008, which would require an adjustment to operating revenue estimates as a whole.

JTLW

wrs\wtask9 2007

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 30, 2007

TO: Linda Wagenmaker
Financial Analyst

FROM: Joellen Thompson
Acting Water System Manager

SUBJECT: 2007 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, 2008.

<u>Description</u>	<u>Location</u>	<u>Amount</u>
33 rd St – Eastern/1300'E	Grand Rapids	187,488
Division Ave – Quigley/Cottage Grove	Grand Rapids	421,921
Bond Ave & Trowbridge (Icon on Bond)	Grand Rapids	305,460
Sherman St – Fuller/Giddings	Grand Rapids	358,768
Cherry St – Jefferson/Prospect	Grand Rapids	349,181
LMFP- Automation system	Integrated	2,671,647
LMFP- Filter cells 10, 12 & 14	Integrated	906,265
LMFP – Exterior façade Ph 1 & Ph 2	Integrated	214,122
Coldbrook Pumping - Portable generator	GR-Integrated	119,351

JT\LW

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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, 2007"

INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 2,507,974	\$ -	\$ -
LAND IMPROVEMENTS	1,774,861	820,540	62,266
BUILDINGS & STRUCTURES	46,844,236	16,384,262	881,378
STORAGE	7,584,993	4,072,432	208,204
PROCESS EQUIPMENT	44,798,235	22,165,136	1,300,460
AUXILIARY EQUIPMENT	11,360,974	10,680,985	547,095
METERS	7,375,481	7,206,747	110,369
MACHINERY & EQUIPMENT	2,728,667	1,938,599	64,772
OFFICE EQUIPMENT & FURNITURE	622,184	620,062	5,156
WATERMAINS	55,592,968	12,850,255	741,240
	<u>\$ 181,190,573</u>	<u>\$ 76,739,018</u>	<u>\$ 3,920,940</u>

NON-INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 981,022	\$ -	\$ -
LAND IMPROVEMENTS	1,192,503	563,815	51,579
BUILDINGS & STRUCTURES	10,715,875	1,803,246	211,981
STORAGE	8,583,310	3,716,179	169,300
PROCESS EQUIPMENT	4,476,690	1,875,644	140,378
AUXILIARY EQUIPMENT	1,766,619	1,630,529	19,039
MACHINERY & EQUIPMENT	2,108,433	1,721,256	71,970
OFFICE EQUIPMENT & FURNITURE	520,458	308,046	38,150
WATERMAINS - GRAND RAPIDS	88,877,938	19,934,825	1,126,757
WATERMAINS - WALKER	18,816,276	4,724,601	249,114
WATERMAINS - KENTWOOD	24,055,718	5,055,855	318,342
WATERMAINS - CASCADE TWP	19,559,828	3,506,216	261,140
WATERMAINS - GRAND RAPIDS TWP	15,009,613	2,494,323	186,372
WATERMAINS - TALLMADGE TWP	1,624,822	148,106	21,335
	<u>\$ 198,289,105</u>	<u>\$ 47,482,641</u>	<u>\$ 2,865,457</u>
TOTAL	<u>\$ 379,479,678</u>	<u>\$124,221,659</u>	<u>\$ 6,786,397</u>

SOURCE: FINAL GENERAL LEDGER, AS ADJUSTED, FOR JUNE 30, 2007.

**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, 2007: \$ 1,990,951

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 = \$25,369,320 @ 90/365 = \$6,255,449

TOTAL WORKING CAPITAL NEEDS CONSIST OF THE FOLLOWING:

12A INVESTMENT IN INVENTORY	\$ 1,990,951
12B PREPAYMENT OF OPERATING EXPENSES	-
12C 90 DAY OPERATING EXPENSES	<u>6,255,449</u>
	<u>\$ 8,246,400</u>

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
ZONEGATED FACILITIES
TASK #13
October 19, 2007**

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

LW

wrs\wtask13 2007

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 30, 2007

TO: Linda Wagenmaker
Financial Analyst

FROM: Joellen Thompson, P.E.
Acting Water System Manager 

SUBJECT: 2007 WATER RATE STUDY- TASK #14

Base maps and zoned maps for the water rate study, adjusted and revised to reflect minor changes are presently being updated to reflect the 2007 zoned information.

In this regard, the water maps will be completely updated by the end of the calendar year 2007 for the fiscal year 2007

JCT

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 10, 2007

TO: Michael E. Wolski
Utility Financial Officer

FROM: Linda Wagenmaker 
Financial Analyst

SUBJECT: **2007 WATER RATE STUDY TASK #15A
INTEGRATED WATER CONNECTION FEES**

Attached is the Integrated Water Connection Fee Schedule as currently provided for in Chapter 26 of the City Code, with the addition of rates to be effective on January 1, 2008. The City Commission on June 27, 2000 established fees through calendar year 2004. Beginning January 1, 2005, the integrated water connection fees are to be calculated on a yearly basis as part of the annual Water/Sewer Rate Study. The Consumer Price Index used to determine rates effective January 1, 2008 is as follows:

August, 2006 Index	203.9
August, 2007 Index	207.917
Increase	4.017
Percentage increase	1.97%

LW

Attachment

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>1/01/07</u>	<u>1/01/08</u>
3/4 or less	\$ 2,450	\$2,500
1	4,100	4,150
1 ½	8,150	8,300
2	13,050	13,300
3	28,600	29,150
4	51,450	52,450
6 and over	114,350	116,600

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	FRANKLIN TRANSMISSION MAIN (SECOND SUPPLY)	\$ 10,719,000
2	SE ELEVATED STORAGE TANK AND WATER MAIN	2,980,000
3	DEAN LAKE WATER MAIN	6,877,700
4	SOUTH WALKER WATERMAIN PHASES I & II	2,350,000
5	FOUR MILE ROAD WATER MAIN AND ELEVATED TANK	4,306,534
6	DEAN LAKE SERVICE CENTER EXPANSION	500,000
7	EAST PARIS PUMP STATION EXPANSION	2,500,000
8	BAYWOOD & GREENBRIER	3,320,000
9	CASCADE NORTH RIVER CROSSING	2,850,000
		<u>\$ 36,403,234</u>

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

SOURCE: JOELLEN THOMPSON, WATER SYSTEM MANAGER
 JANUARY 2008

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

BONDS - PRINCIPAL & INTEREST PAYMENTS

FISCAL YEAR ENDING JUNE 30,	CASH BASIS		
	PRINCIPAL	INTEREST	PRIN & INT
2008	\$ 6,370,000	\$ 5,421,197	\$ 11,791,197
2009	6,700,000	5,098,771	11,798,771
2010	7,125,000	4,759,626	11,884,626
2011	7,485,000	4,398,795	11,883,795
2012	7,890,000	3,980,108	11,870,108
2013	8,410,000	3,538,666	11,948,666
2014	8,835,000	3,068,387	11,903,387
2015	9,385,000	2,574,203	11,959,203
2016	9,855,000	2,049,457	11,904,457
2017	10,425,000	1,498,218	11,923,218
2018	10,995,000	951,893	11,946,893
2019	3,500,000	375,707	3,875,707
2020	3,700,000	193,071	3,893,071

**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	\$ 204,632,891
LESS: BONDED INDEBTEDNESS - TASK NO. 17	(118,031,588) *
 NET WATER SYSTEM EQUITY	 <u><u>\$ 86,601,303</u></u>

* INCLUDES BOND PROCEEDS FOR THE FOLLOWING:

2005 BONDS

CARRIER ST-CSO-W29	\$ 207,210
ES CSO #1	53,599
ES CSO #6	1,160,680
ES CSO #7	446,914
JAMES AVE-LOGAN/WEALTHY (FRK RES)	103,124
LMFP-DUCT BANK & FIBER RING	777,492
BEVERLY HILLS PLAT- PH 1B	1,084,829
ES CSO #4 & 5	1,134,353
LMFP- STANDBY PWR SYSTEM PH B	5,472,162
LMFP- SECURITY ENHANCEMENTS	702,151
BEVERLY HILLS PH II	830,964
LMFP- CRASH GATE SYSTEM	753,219
ES CSO ENGINEERING SERVICES	129,907
LMFP- AUTOMATION SYSTEM (T10)	2,671,648
LMFP- FILTER CELLS #10, 12 & 14 (T10)	906,265
LMFP- EXTERIOR FAÇADE PH 1 & 2 (T10)	214,122
CHERRY- JEFFERSON/PROSPECT (T10)	349,181
SHERMAN- FULLER/GIDDINGS (T10)	358,768
	<u><u>\$ 17,356,588</u></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>
12-Oct-06	4.330%	12-Apr-07	4.290%
19-Oct-06	4.330%	19-Apr-07	4.240%
26-Oct-06	4.300%	26-Apr-07	4.260%
02-Nov-06	4.180%	03-May-07	4.250%
09-Nov-06	4.190%	10-May-07	4.240%
16-Nov-06	4.170%	17-May-07	4.290%
21-Nov-06	4.140%	24-May-07	4.380%
30-Nov-06	4.040%	31-May-07	4.410%
07-Dec-06	4.030%	07-Jun-07	4.540%
14-Dec-06	4.120%	14-Jun-07	4.640%
21-Dec-06	4.120%	21-Jun-07	4.630%
28-Dec-06	4.170%	28-Jun-07	4.600%
04-Jan-07	4.150%	05-Jul-07	4.610%
11-Jan-07	4.210%	12-Jul-07	4.600%
18-Jan-07	4.250%	19-Jul-07	4.550%
25-Jan-07	4.320%	26-Jul-07	4.470%
01-Feb-07	4.310%	02-Aug-07	4.510%
08-Feb-07	4.210%	09-Aug-07	4.590%
15-Feb-07	4.170%	16-Aug-07	4.740%
22-Feb-07	4.190%	23-Aug-07	4.810%
01-Mar-07	4.100%	30-Aug-07	4.700%
08-Mar-07	4.080%	06-Sep-07	4.570%
15-Mar-07	4.130%	13-Sep-07	4.460%
22-Mar-07	4.200%	20-Sep-07	4.510%
29-Mar-07	4.250%	27-Sep-07	4.480%
04-Apr-07	4.260%	04-Oct-07	4.420%
		<u>52 WEEKS</u>	<u>4.341%</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	\$ 86,601,303	@	5.341%	=	\$ 4,625,376
WATER SYSTEM INDEBTEDNESS IN THE					
CCR BASE -1993 Bonds	34,700,000	@	5.330%	=	1,849,510
-2000 Bonds	65,975,000	@	5.285%	=	3,486,779
-2005 Bonds	17,356,588	@	4.850%	=	841,795
LESS: INTEREST EARNED DURING THE TEST PERIOD ON BOND RESERVE AND REPLACEMENT ACCOUNTS					(186,179)
	<u>\$ 204,632,891</u>				<u>\$ 10,617,281</u>
 COMPOSITE RATE OF RETURN ON INVESTMENT			<u>\$ 10,617,281</u>	=	5.188%
			<u>204,632,891</u>		

**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, 2007**

PHYSICAL LOCATION

DESCRIPTION	RETAIL										WHOLESALE			TOTAL
	INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	CITY OF EAST GR	COUNTY OF OTTAWA	ADA TOWNSHIP				
COST	\$ 185,101,958	\$ 110,279,929	\$ 19,210,938	\$ 22,390,917	\$ 19,554,913	\$ 14,462,917	\$ 1,624,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 372,626,394	
LESS: ACCUMULATED DEPRECIATION	76,739,018	27,970,490	4,794,993	5,678,336	3,505,298	2,251,489	148,106	-	-	-	-	-	121,087,730	
NET BOOK VALUE	\$ 108,362,940	\$ 82,309,439	\$ 14,415,945	\$ 16,712,581	\$ 16,049,615	\$ 12,211,428	\$ 1,476,716	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 251,538,664	
WORKING CAPITAL REQUIREMENT	3,515,356	3,121,757	420,237	485,136	367,460	263,555	16,823	20,781	35,295	35,295	-	-	8,246,400	
CONTRIBUTIONS	\$ 111,878,296	\$ 85,431,196	\$ 14,836,182	\$ 17,197,717	\$ 16,417,075	\$ 12,474,983	\$ 1,493,539	\$ 20,781	\$ 35,295	\$ 35,295	\$ -	\$ -	\$ 259,785,064	
LESS AMORTIZATION	-	23,412,576	16,198,451	16,047,804	15,567,605	11,233,846	1,624,822	-	-	-	-	-	84,085,104	
	-	(7,660,282)	(3,644,256)	(3,142,579)	(3,069,709)	(1,979,889)	(152,658)	-	-	-	-	-	(19,679,379)	
CONSTRUCTION COST RATE BASE	\$ -	\$ (15,752,294)	\$ (12,554,195)	\$ (12,905,225)	\$ (12,467,896)	\$ (9,253,957)	\$ (1,472,164)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (64,405,731)	
RETURN ON INVESTMENT- TASK 20	\$ 111,878,296	\$ 69,678,902	\$ 2,281,987	\$ 4,292,492	\$ 3,949,179	\$ 3,221,026	\$ 21,375	\$ 20,781	\$ 35,295	\$ 35,295	\$ -	\$ -	\$ 195,379,333	
	\$ 5,804,246	\$ 3,614,941	\$ 118,389	\$ 222,694	\$ 204,883	\$ 167,107	\$ 1,109	\$ 1,078	\$ 1,831	\$ 1,831	\$ -	\$ -	\$ 10,136,278	

ZONEGATED

COST	\$ -	\$ (5,290,593)	\$ 607,994	\$ 4,360,906	\$ 6,256,811	\$ 2,566,992	\$ 155,306	\$ 744,682	\$ -	\$ 2,985,389	\$ -	\$ -	\$ 12,387,487
LESS: ACCUMULATED DEPRECIATION	-	(1,767,328)	412,897	818,616	1,836,844	802,740	59,180	200,071	-	770,909	-	-	3,133,929
NET BOOK VALUE	\$ -	\$ (3,523,265)	\$ 195,097	\$ 3,542,290	\$ 4,419,967	\$ 1,764,252	\$ 96,126	\$ 544,611	\$ -	\$ 2,214,480	\$ -	\$ -	\$ 9,253,558
WORKING CAPITAL REQUIREMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS	\$ -	\$ (3,523,265)	\$ 195,097	\$ 3,542,290	\$ 4,419,967	\$ 1,764,252	\$ 96,126	\$ 544,611	\$ -	\$ 2,214,480	\$ -	\$ -	\$ 9,253,558
LESS AMORTIZATION	-	-	-	13,737	3,593	21,867	-	-	-	11,011	-	-	50,208
	-	-	-	(12,670)	(3,314)	(20,169)	-	-	-	(10,156)	-	-	(46,309)
CONSTRUCTION COST RATE BASE	\$ -	\$ -	\$ (1,067)	\$ (1,067)	\$ (279)	\$ (1,699)	\$ -	\$ -	\$ -	\$ (855)	\$ -	\$ -	\$ (3,900)
RETURN ON INVESTMENT- TASK 1920	\$ -	\$ (364,341)	\$ 20,175	\$ 366,198	\$ 457,040	\$ 182,266	\$ 9,940	\$ 56,318	\$ -	\$ 228,911	\$ -	\$ -	\$ 956,507
	10.341%	10.341%	10.341%	10.341%	10.341%	10.341%	10.341%	10.341%	10.341%	10.341%	10.341%	10.341%	10.341%
RETURN ON INVESTMENT- TASK 1920	\$ 5,804,246	\$ 3,250,600	\$ 138,564	\$ 588,892	\$ 661,923	\$ 349,373	\$ 11,049	\$ 57,396	\$ -	\$ 230,742	\$ -	\$ -	\$ 11,092,785
TOTAL RETURN ON INVESTMENT													

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
CONSTRUCTION COST & ACCUMULATED DEPRECIATION- TASK NO. 21- PART 2
FISCAL YEAR ENDED JUNE 30, 2007**

CONSTRUCTION COST

COST CENTER BY PHYSICAL LOCATION- TASK 11 IN SERVICE- TASK 10	AMOUNT	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			
		\$ 181,190,573	\$ 116,899,346	\$ 19,428,976	\$ 25,768,520	\$ 19,559,828	\$ 15,009,613	\$ 1,624,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,479,678
		3,911,385	1,622,818											5,534,203
PUMPING STATIONS:														
KNAPP SERVICE CENTER	\$ 2,416,086													230,736
LIVINGSTON	1,911,139													69,986
FRANKLIN	6,949,487													519,613
LEFFINGWELL	141,009													13,466
BRISTOL	612,700													-
EAST PARIS	1,710,802													-
STORAGE TANKS:														
ELKS	236,335													-
KNAPP	118,570													4,342
CAMBRIDGE	116,070													-
WATERMANS														
ADJUSTED BY ZONEGATING		\$ 185,101,958	\$ 104,989,336	\$ 19,818,932	\$ 26,751,823	\$ 25,811,724	\$ 17,029,909	\$ 1,780,128	\$ 744,682	\$ -	\$ -	\$ -	\$ -	\$ 385,013,881
LESS: ZONEGATING ADJUSTMENT		-	\$ (5,290,593)	\$ 607,994	\$ 4,360,906	\$ 6,256,811	\$ 2,566,992	\$ 155,306	\$ 744,682	\$ -	\$ -	\$ -	\$ -	\$ 12,387,487
PHYSICAL LOCATION		\$ 185,101,958	\$ 110,279,929	\$ 19,210,938	\$ 22,390,917	\$ 19,554,913	\$ 14,462,917	\$ 1,624,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 372,626,394

ACCUMULATED DEPRECIATION

BY PHYSICAL LOCATION- TASK 11 IN SERVICE- TASK 10		\$ 76,739,018	\$ 30,040,643	\$ 4,883,296	\$ 6,410,057	\$ 3,506,216	\$ 2,494,323	\$ 148,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,221,659
PUMPING STATIONS:														
KNAPP SERVICE CENTER	\$ 1,554,090													148,416
LIVINGSTON	529,630													19,395
FRANKLIN	1,404,806													105,037
LEFFINGWELL	130,111													12,426
BRISTOL	158,695													-
EAST PARIS	1,354,202													-
STORAGE TANKS:														
ELKS	236,335													-
KNAPP	116,070													4,250
CAMBRIDGE	116,070													-
WATERMANS														
ADJUSTED BY ZONEGATING		\$ 76,739,018	\$ 26,203,162	\$ 5,207,890	\$ 6,496,952	\$ 5,342,142	\$ 3,054,229	\$ 207,286	\$ 200,071	\$ -	\$ -	\$ -	\$ -	\$ 124,221,659
LESS: ZONEGATING ADJUSTMENT		-	\$ (1,767,328)	\$ 412,697	\$ 818,616	\$ 1,836,844	\$ 802,740	\$ 59,180	\$ 200,071	\$ -	\$ -	\$ -	\$ -	\$ 3,133,929
PHYSICAL LOCATION		\$ 76,739,018	\$ 27,970,490	\$ 4,794,993	\$ 5,678,336	\$ 3,505,298	\$ 2,251,489	\$ 148,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,087,730

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
CONTRIBUTIONS & AMORTIZED CONTRIBUTIONS- TASK NO. 21- PART 3
FISCAL YEAR ENDED JUNE 30, 2007**

COST CENTER	INTEGRATED SYSTEM	AMOUNT	RETAIL						WHOLESALE			TOTAL	
			CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	CITY OF EAST GR	COUNTY OF OTTAWA	ADA TOWNSHIP		
2006 RATE STUDY- LOCATION			\$ 23,090,971	\$ 15,996,964	\$ 15,667,168	\$ 15,415,075	\$ 10,883,125	\$ 1,575,455					\$ 82,828,758
ADDITIONS:													
FRONT FOOT FEES			114,945	18,292	27,558	21,315	52,479	-	-	-	-	-	234,589
FIXED ASSET CONTRIBUTIONS			206,660	183,195	353,078	131,215	298,242	49,367	-	-	-	-	1,221,757
			<u>23,412,576</u>	<u>16,198,451</u>	<u>16,047,804</u>	<u>15,567,605</u>	<u>11,233,846</u>	<u>1,624,822</u>					<u>84,085,104</u>
PUMPING STATIONS: LEFFINGWELL		\$ 115,303			13,737	3,593	21,867	-	-	-	11,011		
ADJUSTED BY ZONEGATING			<u>23,412,576</u>	<u>16,198,451</u>	<u>16,061,541</u>	<u>15,571,198</u>	<u>11,255,713</u>	<u>1,624,822</u>			<u>11,011</u>		<u>84,085,104</u>
LESS: ZONEGATING ADJUSTMENT			-	-	13,737	3,593	21,867	-	-	-	11,011		-
PHYSICAL LOCATION			<u>23,412,576</u>	<u>16,198,451</u>	<u>16,047,804</u>	<u>15,567,605</u>	<u>11,233,846</u>	<u>1,624,822</u>					<u>84,085,104</u>
AMORTIZED CONTRIBUTIONS													
2006 RATE STUDY- LOCATION			\$ 7,080,827	\$ 3,425,631	\$ 2,928,480	\$ 2,891,732	\$ 1,830,074	\$ 131,322					\$ 18,288,066
CURRENT YEAR ADJUSTMENTS			579,455	218,625	214,099	207,977	149,815	21,336					1,391,307
			<u>7,660,282</u>	<u>3,644,256</u>	<u>3,142,579</u>	<u>3,099,709</u>	<u>1,979,889</u>	<u>152,658</u>					<u>19,679,373</u>
PUMPING STATIONS: LEFFINGWELL		106,345			12,670	3,314	20,168	-	-	-	10,156		
ADJUSTED BY ZONEGATING			<u>7,660,282</u>	<u>3,644,256</u>	<u>3,155,249</u>	<u>3,103,023</u>	<u>2,000,057</u>	<u>152,658</u>			<u>10,156</u>		<u>19,679,373</u>
LESS: ZONEGATING ADJUSTMENT			-	-	12,670	3,314	20,168	-	-	-	10,156		-
PHYSICAL LOCATION			<u>7,660,282</u>	<u>3,644,256</u>	<u>3,142,579</u>	<u>3,099,709</u>	<u>1,979,889</u>	<u>152,658</u>					<u>19,679,373</u>

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
RECONCILIATION OF CONSTRUCTION COST & ACCUMULATED DEPRECIATION- PHYSICAL LOCATION & ZONEGATING
FISCAL YEAR ENDED JUNE 30, 2007**

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	\$ 181,190,573	\$ 119,222,848	\$ 18,816,276	\$ 24,055,718	\$ 19,559,828	\$ 15,009,613	\$ 1,624,822	\$ -	\$ -	\$ -	\$ 379,479,678
IN SERVICE- TASK 10	3,911,385	1,622,818	612,700	1,710,802	-	-	-	-	-	-	5,534,203
BRISTOL	(612,700)	(612,700)	-	-	-	-	-	-	-	-	-
EAST PARIS	(1,710,802)	(1,710,802)	-	-	-	-	-	-	-	-	-
WATERMANS	(11,025,024)	(725,425)	(6,451,824)	(6,200)	(854,852)	-	-	-	-	-	(19,063,325)
LESS: WATERMANS-TOTAL SUBS-HOME COMM	2,782,788	507,387	3,076,221	1,285	308,156	-	-	-	-	-	6,675,837
ADD: WATERMANS-TOTAL ADDS-HOME COMM	-	-	-	-	-	-	-	-	-	-	-
TOTAL- PHYSICAL LOCATION COST	\$ 185,101,958	\$ 110,279,928	\$ 19,210,938	\$ 22,390,917	\$ 19,554,913	\$ 14,462,917	\$ 1,624,822	\$ -	\$ -	\$ -	\$ 372,626,393
CONSTRUCTION COST- ZONEGATING											
PUMPING STATIONS:											
KNAPP SERVICE CENTER	\$ 2,416,086	\$ (1,052,084)	\$ -	\$ 287,852	\$ 75,285	\$ 458,211	\$ -	\$ -	\$ -	\$ 230,736	\$ -
LIVINGSTON	1,911,139	(319,218)	-	87,454	22,743	139,035	-	-	-	69,986	-
FRANKLIN	6,949,487	(3,809,014)	-	1,511,722	846,864	343,166	-	587,649	-	519,613	-
LEFFINGWELL	141,009	(61,402)	-	16,800	4,394	26,742	-	-	-	13,466	-
BRISTOL	612,700	-	-	-	-	-	-	-	-	-	-
EAST PARIS	1,710,802	-	-	(845,068)	845,068	-	-	-	-	-	-
STORAGE TANKS:											
ELKS	236,335	(179,990)	175,535	-	-	-	4,455	-	-	-	-
KNAPP	118,570	(19,805)	-	5,426	1,411	8,626	-	-	-	4,342	-
CAMBRIDGE	116,070	(87,925)	-	72,074	6,288	-	-	9,563	-	-	-
WATERMANS- ZONEGATED COST	-	238,845	432,459	3,224,646	4,454,758	1,591,212	150,851	147,470	-	2,147,246	12,387,487
TOTAL- ZONEGATED COST	\$ -	\$ (5,290,593)	\$ 607,994	\$ 4,360,906	\$ 6,256,811	\$ 2,566,992	\$ 155,306	\$ 744,682	\$ -	\$ 2,985,389	\$ 12,387,487
GRAND TOTAL- COST	\$ 185,101,958	\$ 104,989,335	\$ 19,818,932	\$ 26,751,823	\$ 25,811,724	\$ 17,029,909	\$ 1,780,128	\$ 744,682	\$ -	\$ 2,985,389	\$ 395,013,880
ACCUMULATED DEPRECIATION-BY PHYSICAL LOCATION											
ACC DEPREC BY PHYSICAL LOCATION- TASK 11	\$ 76,739,018	\$ 31,553,540	\$ 4,724,601	\$ 5,055,855	\$ 3,506,216	\$ 2,494,323	\$ 148,106	\$ -	\$ -	\$ -	\$ 124,221,659
BRISTOL	(158,695)	(158,695)	158,695	-	-	-	-	-	-	-	-
EAST PARIS	(1,354,202)	-	-	1,354,202	-	-	-	-	-	-	-
WATERMANS	(3,290,454)	(3,290,454)	(318,769)	(1,435,302)	(1,157)	(375,696)	-	-	-	-	(5,421,378)
LESS: WATERMANS-TOTAL SUBS-HOME COMM	1,220,302	1,220,302	230,466	703,581	240	132,862	-	-	-	-	2,287,451
ADD: WATERMANS-TOTAL ADDS-HOME COMM	-	-	-	-	-	-	-	-	-	-	-
TOTAL- PHYSICAL LOCATION ACC DEP	\$ 76,739,018	\$ 27,970,491	\$ 4,794,993	\$ 5,678,336	\$ 3,505,299	\$ 2,251,489	\$ 148,106	\$ -	\$ -	\$ -	\$ 121,087,732
ACCUMULATED DEPRECIATION-ZONEGATING											
PUMPING STATIONS:											
KNAPP SERVICE CENTER	\$ 1,554,090	\$ (676,728)	\$ -	\$ 185,154	\$ 48,425	\$ 294,733	\$ -	\$ -	\$ -	\$ 148,416	\$ -
LIVINGSTON	529,630	(86,465)	-	24,236	6,303	38,531	-	-	-	19,395	-
FRANKLIN	1,404,806	(769,973)	-	305,587	171,190	69,369	-	118,790	-	105,037	-
LEFFINGWELL	130,111	(56,657)	-	15,501	4,064	24,676	-	-	-	12,426	-
BRISTOL	158,695	-	-	-	-	-	-	-	-	-	-
EAST PARIS	1,354,202	-	-	(668,922)	668,922	-	-	-	-	-	-
STORAGE TANKS:											
ELKS	236,335	(179,990)	175,535	-	-	-	4,455	-	-	4,250	-
KNAPP	116,070	(19,386)	-	5,311	1,381	8,444	-	-	-	-	-
CAMBRIDGE	116,070	(87,925)	-	72,074	6,288	-	-	9,563	-	-	-
WATERMANS- ZONEGATED ACC DEP	-	111,796	237,362	879,675	930,281	366,987	54,725	71,718	-	481,385	3,133,929
TOTAL- ZONEGATED ACC DEP	\$ -	\$ (1,767,328)	\$ 412,887	\$ 818,616	\$ 1,836,844	\$ 802,740	\$ 59,180	\$ 200,071	\$ -	\$ 770,909	\$ 3,133,929
GRAND TOTAL- ACC DEP	\$ 76,739,018	\$ 26,203,163	\$ 5,207,890	\$ 6,496,952	\$ 5,342,143	\$ 3,054,229	\$ 207,286	\$ 200,071	\$ -	\$ 770,909	\$ 124,221,661

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED OPERATING EXPENSE ZONEGATED BY GOVERNMENTAL UNIT - TASK #22
FISCAL YEAR ENDED JUNE 30, 2007**

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	\$ 6,865,771	\$ 6,865,771												
PUMPING STATIONS:														
A. PRIMARY TRANSPORT	2,120,224	2,120,224												
B. INTERMEDIATE TRANSPORT	1,661,761		899,952	31,751	312,189	234,652	73,109				46,093			64,015
WATERMAINS:														
A. PRIMARY TRANSPORT	336,216		177,452	35,662	58,317	36,658	10,268				6,845			10,392
B. INTERMEDIATE TRANSPORT	1,798,407		671,148	365,041	319,217	264,761	138,351				126			15,808
C. LOCAL DISTRIBUTION	5,002,197		3,714,181	383,268	335,848	265,267	291,628							
RETAIL CUSTOMER METERING *	3,294,578		2,516,926	258,460	214,609	137,944	160,248							
SUBTOTAL OPERATING EXPENSE	21,079,154	8,985,995	7,979,659	1,074,182	1,240,180	939,282	673,604	42,973			53,064			90,215
ENGINEERING SERVICES	1,263,118	538,455	478,166	64,368	74,309	56,285	40,369	2,577			3,183			5,406
ADMINISTRATIVE EXPENSE	3,027,048	1,290,402	1,145,919	154,258	178,081	134,885	96,744	6,175			7,628			12,956
TOTAL	\$ 25,369,320	\$ 10,814,852	\$ 9,603,744	\$ 1,292,808	\$ 1,492,570	\$ 1,130,452	\$ 810,717	\$ 51,725			\$ 63,875			\$ 108,577

* 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%	54.156%	1.911%	18.787%	14.121%	4.399%				2.774%				3.852%
MEMO															
WATERMAINS															
TOTAL MILES:	1,146.68														
A. PRIMARY TRANSPORT	54.02														
B. INTERMEDIATE TRANSPORT	288.95														
C. LOCAL DISTRIBUTION	803.71														
RETAIL CUSTOMER METERING (1)	79,556.00														
NUMBER OF METERS															
ENGINEERING SERVICES (2)															
ADMINISTRATIVE EXPENSE (3)															

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	\$ 22,461,068	65.4887%	\$ 405,875
CITY OF WALKER	2,888,511	8.4219%	52,196
CITY OF KENTWOOD	3,895,500	11.3579%	70,392
CASCADE TOWNSHIP	2,963,476	8.6405%	53,551
GRAND RAPIDS TOWNSHIP	1,982,676	5.7808%	35,827
TALLMADGE TOWNSHIP	106,379	0.3102%	1,923
	<u>\$ 34,297,610</u>	<u>100.0000%</u>	<u>\$ 619,764</u>

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

CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ASSIGN DEPRECIATION EXPENSE TO CUSTOMER COMMUNITIES- TASK NO. 24
 FISCAL YEAR ENDED JUNE 30, 2007

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	
		\$ 3,920,940	\$ 1,779,411	\$ 264,984	\$ 352,215	\$ 281,140	\$ 186,372	\$ 21,335	\$ -	\$ -	\$ -	\$ 6,786,397
		223,003	21,639	-	-	-	-	-	-	-	-	244,642
PUMPING STATIONS:												
KNAPP SERVICE CENTER	\$ 60,233		(26,228)	-	7,176	1,877	11,423	-	-	-	5,752	-
LIVINGSTON	41,442		(6,922)	-	1,896	493	3,015	-	-	-	1,518	-
FRANKLIN	208,505		(114,281)	-	45,356	25,408	10,296	-	17,631	-	15,590	-
LEFFINGWELL	908		(395)	-	108	28	172	-	-	-	87	-
BRISTOL	15,870		-	-	-	-	-	-	-	-	-	-
EAST PARIS	33,873		-	-	(16,732)	16,732	-	-	-	-	-	-
STORAGE TANKS:												
ELKS	-		-	-	-	-	-	-	-	-	-	-
KNAPP	-		-	-	-	-	-	-	-	-	-	-
CAMBRIDGE	-		-	-	-	-	-	-	-	-	-	-
WATERMANS			(106,307)	2,859	(2,201)	59,315	13,927	2,011	1,766	-	28,630	-
ADJUSTED BY ZONEGATING		4,143,943	1,546,917	267,843	387,818	364,993	225,205	23,346	19,397	-	51,577	7,031,039
LESS CONTRIBUTIONS AMORTIZED		-	(579,455)	(218,625)	(214,099)	(207,977)	(149,815)	(21,336)	-	-	-	(1,391,307)
TASK NO. 21		4,143,943	967,462	49,218	173,719	157,016	75,390	2,010	19,397	-	51,577	5,639,732
TOTAL												

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ACCUMULATE REVENUE REQUIREMENTS BY CUSTOMER COMMUNITIES- TASK NO. 25
FISCAL YEAR ENDED JUNE 30, 2007**

	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	\$ 10,814,852	\$ 9,603,744	\$ 1,292,808	\$ 1,492,570	\$ 1,130,452	\$ 810,717	\$ 51,725	\$ 63,875	\$ -	\$ 108,577	\$ 25,369,320
DEPRECIATION EXPENSE TASK NO. 24	4,143,943	967,462	49,218	173,719	157,016	75,390	2,010	19,397	-	51,577	5,639,732
RETURN ON SYSTEM INVESTMENT TASK NO. 21	5,804,246	3,250,600	138,564	588,892	661,923	349,373	11,049	57,396	-	230,742	11,092,785
REVENUE CREDITS- TASK NO. 23	-	(405,875)	(52,196)	(70,392)	(53,551)	(35,827)	(1,923)	-	-	-	(619,764)
ALLOCATE:											
INTEG CONN. FEE CREDIT (A)	-	(656,184)	(111,062)	(126,274)	(82,282)	(59,077)	(3,849)	(41,564)	-	(52,154)	(1,132,446)
INTEGRATED SYSTEM (A)	(20,763,041)	11,375,005	1,925,260	2,188,952	1,426,366	1,024,103	66,722	720,505	1,132,026	904,102	-
LESS: CIRCUIT BREAKER (B)	-	-	(79,356)	-	-	-	-	-	-	-	(79,356)
	\$ -	\$ 24,134,752	\$ 3,163,236	\$ 4,247,467	\$ 3,239,924	\$ 2,164,679	\$ 125,734	\$ 819,609	\$ 1,132,026	\$ 1,242,844	\$ 40,270,271

(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.

	<u>YEAR ENDED 6/30/07</u>	<u>PRO FORMA *</u>
REVENUES:		
RETAIL/WHOLESALE WATER SALES	\$ 37,422,923	\$ 38,358,372
CONNECTION FEES/FRONT FOOT FEES	1,367,035	1,367,035
BILLABLE TO SDS FUND	2,268,725	2,300,961
ENGINEERING FEES	130,617	130,617
OTHER OPERATING REVENUES	1,544,954	1,544,954
INTEREST ON INVESTMENTS	1,663,978	1,663,978
MISCELLANEOUS	511,627	511,627
TOTAL REVENUES	<u>\$ 44,909,859</u>	<u>\$ 45,877,544</u>
OPERATING EXPENSES:		
OPERATIONS & MAINTENANCE	\$ 27,513,547	\$ 28,178,161
DEPRECIATION	6,785,682	6,785,682
TOTAL EXPENSES	<u>\$ 34,299,229</u>	<u>\$ 34,963,843</u>
ADDITIONS: DEPRECIATION	<u>6,785,682</u>	<u>6,785,682</u>
NET EARNINGS OF THE SYSTEM	<u>\$ 17,396,312</u>	<u>\$ 17,699,383</u>
DEBT SERVICE (CASH BASIS)		
SERIES 1993 BONDS	\$ 3,520,000	\$ 3,535,000
SERIES 2000 BONDS	8,170,900	8,180,500
SERIES 2005 BONDS	2,272,948	2,276,106
	<u>\$ 13,963,848</u>	<u>\$ 13,991,606</u>
COVERAGE RATIO	<u>1.25</u>	<u>1.27</u>

* METERED SALES ADJUSTED FOR RATE REVISIONS OF 0.63% AND 4.95% EFFECTIVE 1/1/07 AND 1/1/08, RESPECTIVELY.

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SUMMARY

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

INITIAL SYSTEM REVENUE REQUIREMENTS		\$ 40,349,627
CURRENT REVENUES		
MONTHLY METER CHARGE	\$ 9,630,597	
MONTHLY BILLING CHARGE	3,452,310	
COMMODITY CHARGE	24,780,705	
MONTHLY FIRE PROTECTION	433,272	
ANNUAL HYDRANT CHARGE	<u>74,724</u>	<u>(38,371,608)</u>
INITIAL REQUIRED REVENUE INCREASE (DECREASE)		<u>\$ 1,978,019</u>
INITIAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>5.15%</u>
INITIAL SYSTEM REVENUE REQUIREMENTS FROM ABOVE		\$ 40,349,627
LESS: AMOUNT OF CIRCUIT BREAKER RELIEF TO REDUCE RR's TO RETAIL		<u>(79,356)</u>
SYSTEM REVENUE REQUIREMENTS		<u>\$ 40,270,271</u>
ACTUAL REQUIRED AMOUNT OF REVENUE INCREASE (DECREASE)		<u>\$ 1,898,663</u>
ACTUAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>4.95%</u>

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

METER SIZE	EQUIV. FACTOR	CITY OF GR		CITY OF WALKER		CITY OF KENTWOOD		CASCADE TWP		GR TWP		TALLMADGE TWP	
		METERS	EQUIV.	METERS	EQUIV.	METERS	EQUIV.	METERS	EQUIV.	METERS	EQUIV.	METERS	EQUIV.
A 3/4" or less	1.0000	54,537	54,537	5,094	5,094	3,317	3,317	2,347	2,347	3,292	3,292	100	100
B 1"	1.7778	2,593	4,610	453	805	625	1,111	320	569	298	530	17	30
C 1 1/4"	2.7778	-	-	-	-	-	-	-	-	-	-	-	-
D 1 1/2"	4.0000	1,099	4,396	201	804	389	1,556	237	948	100	400	3	12
E 2"	7.1111	990	7,040	104	740	195	1,387	103	732	47	334	3	21
F 3"	16.0000	72	1,152	8	128	20	320	8	128	6	96	1	16
G 4"	28.4444	83	2,361	7	199	14	398	2	57	3	85	-	-
H 6" and over	64.0000	22	1,408	4	256	3	192	-	-	-	-	1	64
		<u>59,396</u>	<u>75,504</u>	<u>5,871</u>	<u>8,026</u>	<u>4,563</u>	<u>8,281</u>	<u>3,017</u>	<u>4,781</u>	<u>3,746</u>	<u>4,737</u>	<u>125</u>	<u>243</u>

FIRE PROTECTION SERVICE		CITY OF WALKER		CITY OF KENTWOOD		CASCADE TWP		GR TWP		TALLMADGE TWP	
		METERS	EQUIV.	METERS	EQUIV.	METERS	EQUIV.	METERS	EQUIV.	METERS	EQUIV.
H 6"	1,052	256	320	161	102	24					
I 8"	294	89	263	126	21	2					
J 10"	15	5	9	2	-	-					
K 12"	21	20	27	25	1	3					
		<u>1,382</u>	<u>619</u>	<u>314</u>	<u>124</u>	<u>29</u>					
TOTAL	<u>60,778</u>	<u>6,241</u>	<u>5,182</u>	<u>3,331</u>	<u>3,870</u>	<u>154</u>					
TOTAL											<u>79,556</u>

Source: Water/Sewage Meter/User Quantity Report, dated October 22, 2007.

CITY OF GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS \$ 24,134,752

CURRENT REVENUES

MONTHLY METER CHARGE

75,504 meter equivalents x \$ 6.35 x 12 = \$ 5,753,405

MONTHLY BILLING CHARGE

59,396 meters x \$ 3.75 x 12 = 2,672,820

COMMODITY CHARGE

9,847,724 units (100 CF) x \$ 1.46 = 14,377,677

MONTHLY FIRE PROTECTION

196,080

ANNUAL HYDRANT CHARGE

- (22,999,982)

REQUIRED REVENUE INCREASE (DECREASE)

\$ 1,134,770

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES

4.93%

CITY OF GRAND RAPIDS, MICHIGAN

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

COMMODITY CHARGE:

$$\frac{\text{COMMODITY CHARGE @ 64\%}}{\text{BILLED UNITS}} = \frac{\$15,446,241}{9,847,724} = \underline{\underline{\$ 1.57 /100 CF *}}$$

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS	\$ 24,134,752
NEW COMMODITY CHARGE 9,847,724 x \$ 1.57	\$ 15,460,927
NEW MONTHLY BILLING CHARGE 59,396 x \$ 3.58 x 12	2,551,652
MONTHLY FIRE PROTECTION CHARGE	196,080
ANNUAL HYDRANT CHARGE	- (18,208,659)
	<u>\$ 5,926,093</u>

$$\text{MONTHLY METER CHARGE} = \frac{\$5,926,093}{75,504 \times 12} = \underline{\underline{\$ 6.54 \text{ MONTHLY}}}$$

<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	\$ 6.54	\$ 3.58	\$ 10.12	\$ 10.10
1"	1.7778	11.63	3.58	15.21	15.04
1 1/4"	2.7778	18.17	3.58	21.75	21.39
1 1/2"	4.0000	26.16	3.58	29.74	29.15
2"	7.1111	46.51	3.58	50.09	48.91
3"	16.0000	104.64	3.58	108.22	105.35
4"	28.4444	186.03	3.58	189.61	184.37
6" and over	64.0000	418.56	3.58	422.14	410.15

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

CITY OF WALKER, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS * \$ 3,163,236

CURRENT REVENUES

MONTHLY METER CHARGE			
8,026 meter equivalents	x	\$ 7.40	x 12 = \$ 712,709
MONTHLY BILLING CHARGE			
5,871 meters	x	\$ 3.75	x 12 = 264,195
COMMODITY CHARGE			
1,380,081 units (100 CF)	x	\$ 1.43	= 1,973,516
MONTHLY FIRE PROTECTION 57,888			
ANNUAL HYDRANT CHARGE - <u>(3,008,308)</u>			
REQUIRED REVENUE INCREASE (DECREASE) <u>\$ 154,928</u>			
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES <u>5.15%</u>			

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 79,356

CITY OF KENTWOOD, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS \$ 4,247,467

CURRENT REVENUES

MONTHLY METER CHARGE

8,281 meter equivalents x \$ 10.88 x 12 = \$ 1,081,167

MONTHLY BILLING CHARGE

4,563 meters x \$ 3.75 x 12 = 205,335

COMMODITY CHARGE

1,809,910 units (100 CF) x \$ 1.48 = 2,678,667

MONTHLY FIRE PROTECTION

103,152

ANNUAL HYDRANT CHARGE

- (4,068,321)

REQUIRED REVENUE INCREASE (DECREASE)

\$ 179,146

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES

4.40%

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

SYSTEM REVENUE REQUIREMENTS \$ 3,239,924

CURRENT REVENUES

MONTHLY METER CHARGE			
4,781 meter equivalents	x	\$ 16.02	x 12 = \$ 919,099
MONTHLY BILLING CHARGE			
3,017 meters	x	\$ 3.75	x 12 = 135,765
COMMODITY CHARGE			
946,674 units (100 CF)	x	\$ 2.07	= 1,959,615
MONTHLY FIRE PROTECTION			54,888
ANNUAL HYDRANT CHARGE			<u>37,800</u>
			<u>(3,107,167)</u>
REQUIRED REVENUE INCREASE (DECREASE)			<u>\$ 132,757</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>4.27%</u>

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

SYSTEM REVENUE REQUIREMENTS \$ 2,164,679

CURRENT REVENUES

MONTHLY METER CHARGE			
4,737 meter equivalents	x	\$ 11.22	x 12 = \$ 637,790
MONTHLY BILLING CHARGE			
3,746 meters	x	\$ 3.75	x 12 = 168,570
COMMODITY CHARGE			
719,614 units (100 CF)	x	\$ 1.71	= 1,230,540
MONTHLY FIRE PROTECTION 16,704			
ANNUAL HYDRANT CHARGE 25,020			
			<u>(2,078,624)</u>
REQUIRED REVENUE INCREASE (DECREASE)			<u>\$ 86,055</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>4.14%</u>

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

SYSTEM REVENUE REQUIREMENTS	\$ 125,734
LESS: CASH CONTRIBUTION	-
SYSTEM REVENUE REQUIREMENTS	\$ 125,734

CURRENT REVENUES

MONTHLY METER CHARGE			
243 meter equivalents	x	\$ 4.44	x 12 = \$ 12,947
MONTHLY BILLING CHARGE			
125 meters	x	\$ 3.75	x 12 = 5,625
COMMODITY CHARGE			
22,771 units (100 CF)	x	\$ 3.75	= 85,391
MONTHLY FIRE PROTECTION			
			4,560
ANNUAL HYDRANT CHARGE			
			11,904
			(120,427)
REQUIRED REVENUE INCREASE (DECREASE)			
			\$ 5,307

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES	4.41%
--	-------

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS *	\$ 678,941
COMMODITY CHARGE	
(100CF) 615,670 units x \$ 1.01	621,827
	<hr/>
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	<u>\$ 57,114</u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$ 140,668
MONTHLY SERVICE CHARGE	
\$12,812 x 12 MONTHS	153,744
	<hr/>
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	<u>\$ (13,076)</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES	<u>5.68%</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	\$ 819,609
NEW COMMODITY CHARGE * 615,670 x \$1.10 =	(677,237)
	<hr/>
	<u>\$ 142,372</u>

MONTHLY SERVICE CHARGE * = \$ 142,372 / 12 = \$11,864

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS *	\$	851,948
COMMODITY CHARGE		
(100CF) 725,531 units x \$ 1.09		790,829
		790,829
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	\$	61,119
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	390,896
MONTHLY SERVICE CHARGE		
\$29,978 x 12 MONTHS		359,736
		359,736
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	\$	31,160
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		8.02%

* NET OF INTEGRATED CONNECTION FEE CREDIT.

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

SYSTEM REVENUE REQUIREMENTS	\$ 1,242,844
NEW COMMODITY CHARGE *	
725,531 x \$1.17 =	(848,871)
	<hr/>
	<u>\$ 393,973</u>

MONTHLY SERVICE CHARGE * = \$393,973 / 12 = \$32,831

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$ 1,132,026
COMMODITY CHARGE	
(100CF) 957,336 units x \$ 1.11	1,062,643
	<u>1,062,643</u>
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	<u>\$ 69,383</u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$ -
MONTHLY SERVICE CHARGE	
\$0 x 12 MONTHS	-
	<u>-</u>
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	<u>\$ -</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES	<u>6.53%</u>

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

SYSTEM REVENUE REQUIREMENTS	\$ 1,132,026
NEW COMMODITY CHARGE *	
957,336 x \$1.18 =	(1,129,656)
	<hr/>
	<u>\$ 2,370</u>

MONTHLY SERVICE CHARGE * = \$ 2,370 / 12 = \$198

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: August 27, 2007

TO: Mike Wolski
Financial Analyst

FROM:  Rick DeVries, P.E.
Acting 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 2007.

RDV/dv

Enclosures

cc: Jack Stegehuis
Mark Garvey
Paul Pratt

RECEIVED

AUG 28 2007

**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>2007</u>	<u>2008</u>
Domestic Water User	\$ 49.00	\$ 54.00
Commercial-Industrial User (Watermain over 8 in. diameter)	\$ 68.00	\$ 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, 2006 through June, 2007. 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	2007	\$ 1,260	\$ 1,440	\$ 1,550	\$ 1,800	\$ 2,150
	2008	\$ 1,500	\$ 1,700	\$ 1,800	\$ 2,100	\$ 2,550
Cost for 1-1/2" Water Service	2007	\$ 1,800	\$ 1,990	\$ 2,150	\$ 2,400	\$ 2,800
	2008	\$ 2,100	\$ 2,400	\$ 2,550	\$ 2,850	\$ 3,400
Cost for 2" Water Service	2007	\$ 2,500	\$ 2,750	\$ 2,900	\$ 3,300	\$ 3,850
	2008	\$ 2,600	\$ 2,900	\$ 3,100	\$ 3,500	\$ 4,100

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 1, 2007

TO: Linda Wagenmaker, Financial Analyst

FROM: Beth Troyer, Administrative Services Officer II



SUBJECT: 2007 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:

- "Meter Installation Fees" has been changed to "Meter Installation & Seasonal Turn Off/On Fees". The language change more accurately reflects when these charges are billed. The fees have been raised to account for the higher costs of staff and equipment time for responding to these specialized customer requests.
- A "Frozen/Damaged/Missing Meter Charges" section has been added. These are costs that are billed to customers who allow a meter to become damaged, frozen or stolen. These costs cover new meter replacement and staff/equipment time. These charges have been billed to customers for over 25 years, but have never been included in this Fees and Charges document.
- The "Security Deposit" has been raised to \$470, which is three times the average residential quarterly water/sewer bill of \$156.34.
- Under "Miscellaneous Permits" the "Water inspection permit" for each inspection both inside and outside the City has been increased. These fees have not been raised in over 15 years. This increase reflects the higher costs of staff/equipment time.

All other fees and charges are recommended to remain the same. This includes the City's current returned check charge of \$25.00, which was verified by the City Treasurer on September 24, 2007.

FEES AND CHARGES

FIRE PROTECTION CHARGES

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

HYDRANT USE PERMITS

	<u>Fee</u>
Deposit (refundable)	\$250.00
Minimum charge (one week's use)	50.00
Seasonal permit (daily charges after one week based on connection size)	250.00

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

TAPPING PERMITS

<u>Connection Size</u>	<u>Fee</u>
1"	\$50.00
1-1/2"	100.00
2"	160.00
3" and larger	Cost

METER INSTALLATION & SEASONAL TURN OFF/ON FEES

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

FROZEN/DAMAGED/MISSING METER CHARGES

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

METER READING

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

WATER AND SEWER RATES

Chapter 26 and 27, Grand Rapids City Code

MONTHLY PAYMENT OPTION

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

SECURITY DEPOSIT

	<u>Minimum Charge</u>
Three (3) times average quarterly bill	\$470.00

MISCELLANEOUS PERMITS

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

PENALTIES

	<u>Fee</u>
Late-payment penalty	10% of net
Processing for shut-off (nonpayment, cross connection)	\$50.00
Penalty for failure to keep appointment or call back with final meter reading.....	10.00
Unauthorized operation of valves.....	100.00*
(plus double the commodity rate for estimated volume)	
Unauthorized use of connection pipes for fire protection	100.00*
(plus double the commodity rate for estimated volume)	
Unauthorized opening of by-pass valve	100.00*
(plus double the commodity rate for estimated volume)	
Returned check charge (verified with City Treasurer 09/24/07).....	25.00
Returned check processing fee (water) per account	5.00
Failure to return hydrant connection equipment.....	500.00
Lost/non-returned hydrant wrench.....	25.00
Back billing for service rendered.....	Section III

*Penalty will double with each subsequent infraction.

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

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

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 30, 2007

TO: Mark DeClercq, P.E.
City Engineer

FROM: Joellen C. Thompson, P.E.
Acting Water System Manager *Joellen C. Thompson P.E.*

SUBJECT: 2007 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	\$11.40 per lineal foot
12 inch to 16 inch	\$13.90 per lineal foot
8 inch to 16 inch	\$25.25 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, 2008 through December 31, 2008. 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 extension 4055 (456-4238).

WJ

Cc: Mike Wolski
Linda Wagenmaker
Rick DeVries
Bill DeYoung

wrs\wtask8 2007

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

SERVICE AREA MAPS AND SERVICE AREA LAND MASS SUMMARIES

The following summarizes Utility Services Districts (USD) land mass square miles for UAB partner communities, per maps on file as of September 30, 2007:

UAB Partners	Sq. Miles of USD by CC	Percent
Grand Rapids	45.36	33.429%
Walker	25.43	18.741%
Kentwood	14.00	10.318%
Cascade	23.53	17.341%
Grand Rapids Township	14.42	10.627%
Tallmadge Township	2.43	1.791%
East Grand Rapids	3.37	2.484%
Ada	7.15	5.269%
Total	135.69	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	\$ 64,708	12.50%
City & Customer Community Circuit Breaker	452,955	87.50%
Total	<u>\$ 517,663</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	\$ 452,955	100.00%
Less: Amount Applied in Current Rate Study	(79,356)	-17.52%
Total Revenue Credit- Next Year's Rate Study	<u>\$ 373,599</u>	<u>82.48%</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
SYSTEM ADDITIONS AND IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2007
TASKS NO. 1, 2, & 3**

COMMUNITY	LOCAL		TRUNK		INTERCEPTOR		TOTALS	
	FEET	MILES	FEET	MILES	FEET	MILES	FEET	MILES
Grand Rapids								
Construction	5,855	1.11	1,288	0.24	12	0.00	7,155	1.35
Abandonment	(296)	(0.06)	(76)	(0.01)	0	0.00	(372)	(0.07)
CSO Construction	4,806	0.91	2,991	0.57	6,654	1.26	14,451	2.74
CSO Abandonment	(6,165)	(1.17)	(1,790)	(0.34)	(6,177)	(1.17)	(14,132)	(2.68)
	<u>4,200</u>	<u>0.79</u>	<u>2,413</u>	<u>0.46</u>	<u>489</u>	<u>0.09</u>	<u>7,102</u>	<u>1.34</u>
Kentwood								
Construction	5,475	1.04		0.00		0.00	5,475	1.04
Abandonment		0.00		0.00		0.00	0	0.00
	<u>5,475</u>	<u>1.04</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>5,475</u>	<u>1.04</u>
Cascade Twp.								
Construction	2,474	0.47	5,440	1.03		0.00	7,914	1.50
Abandonment		0.00	(5,440)	(1.03)		0.00	(5,440)	(1.03)
	<u>2,474</u>	<u>0.47</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>2,474</u>	<u>0.47</u>
G.R. Twp.								
Construction	2,565	0.49		0.00		0.00	2,565	0.49
Abandonment		0.00		0.00		0.00	0	0.00
	<u>2,565</u>	<u>0.49</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>2,565</u>	<u>0.49</u>
Tallmadge Twp.								
Construction	1,138	0.22		0.00		0.00	1,138	0.22
Abandonment		0.00		0.00		0.00	0	0.00
	<u>1,138</u>	<u>0.22</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>1,138</u>	<u>0.22</u>
Walker								
Construction	2,177	0.41		0.00		0.00	2,177	0.41
Abandonment		0.00		0.00		0.00	0	0.00
	<u>2,177</u>	<u>0.41</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>2,177</u>	<u>0.41</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>18,029</u>	<u>3.42</u>	<u>2,413</u>	<u>0.46</u>	<u>489</u>	<u>0.09</u>	<u>20,931</u>	<u>3.97</u>

SEWER COSTS

COMMUNITY	COMMUNITY COST
Grand Rapids	\$ 581,476
Kentwood	332,022
Cascade Twp.	158,038
Grand Rapids Twp.	173,368
Tallmadge Twp.	57,801
Walker	168,502
Wright Twp.	-
TOTAL	<u>\$ 1,471,207</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, 2007**

ACTIVITY CODE	ACTIVITY	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	INTERCEPTOR	TRUNK	LOCAL COLLECTOR				
4423	WASTEWATER TREATMENT (LESS 442305)	\$ 13,041,737	\$ 303,164	\$ 146,316	\$ 470,253						\$ 17,561				
4425	SEWER MAINTENANCE	6,837,579													
4413	CUSTOMER SERVICE *	2,769,490											2,769,490		
442305	INDUSTRIAL PRETREATMENT	622,981												622,981	
	SUBTOTAL OPERATING EXPENSE	23,271,787	303,164	146,316	470,253						17,561		2,769,490	622,981	
4410	ADMINISTRATION	2,099,129													2,099,129
	TOTAL	\$ 25,370,916	\$ 303,164	\$ 146,316	\$ 470,253	\$ 321,298	\$ 776,407	\$ 5,739,874	\$ 17,561	\$ 2,769,490	\$ 622,981	\$ 2,099,129			

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

METHOD OF DISTRIBUTION

ACTIVITY CODE	ACTIVITY	EXPENSE BY ACTIVITY	WASTEWATER TREATMENT PLANT	WASTEWATER LIFT STATIONS	SEWER LINES	BULK METERING STATIONS	CUSTOMER ACCOUNTING	INDUSTRIAL PRETREAT.	ADMIN. EXPENSE
4423	WASTEWATER TREATMENT	100.000%							
	A. TREATMENT PLANT	92.813%							
	B. LIFT & METER STATIONS	7.187%							
	NO. OF STATIONS	(59)	(1)	(8)	(44)	(6)			
4425	SEWER MAINTENANCE	100.000%							
	TOTAL MILES	893.47							
	A. INTERCEPTOR MILES	41.98							
	B. TRUNK LINES MILES	101.45							
	C. LOCAL COLLECTOR MILES	750.04							
4413	CUSTOMER SERVICE	100.000%							
442305	INDUSTRIAL PRETREATMENT	100.000%							
4410	ADMINISTRATION	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, 2007**

COST CENTER	EXPENSE BY COST CENTER	INTEGRATED SYSTEM	RETAIL										WHOLESALE					
			CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MELIER-ALGOMA				
WASTEWATER TREATMENT																		
	\$ 12,104,443	\$ 12,104,443																
LIFT STATIONS:																		
A. INTERCEPTOR	303,164																	
B. TRUNK	146,316																	
C. LOCAL COLLECTOR	470,253																	
SEWER LINES:																		
A. INTERCEPTOR	321,298																	
B. TRUNK	776,407																	
C. LOCAL COLLECTOR	5,739,874																	
BULK METERING STATIONS	17,551																	
CUSTOMER ACCOUNTING	2,769,490																	
INDUSTRIAL PRETREATMENT	622,981																	
SUBTOTAL OPERATING EXPENSE	23,271,787	12,727,424																
ADMINISTRATIVE EXPENSE	2,099,129	1,148,021																
TOTAL	\$ 25,370,916	\$ 13,875,445																

METHOD OF DISTRIBUTION

WASTEWATER TREATMENT																		
A. TREATMENT PLANT	100.000%	100.00%																
B. LIFT & METER STATIONS (1)	100.000%																	
NO. OF STATIONS	(59)	(14)	(6)	(1)	(10)	(17)	(4)	(1)	(1)	(1)	(2)	(1)						
SEWER LINES:																		
TOTAL MILES:	893.47																	
A. INTERCEPTOR																		
MILES	41.98																	
B. TRUNK LINES																		
MILES	101.45																	
C. LOCAL COLLECTOR																		
MILES	750.04																	
CUSTOMER ACCTG (2)																		
NO. OF METERS	73,465.00																	
INDUSTRIAL PRETREATMENT																		
ADMINISTRATIVE EXPENSE (3)	100.000%	100.00%																
	100.000%	54.691%																

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, 2007**

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)	\$ 13,408,851	\$ 12,445,175	\$ 311,698	\$ 150,435	\$ 483,488					\$ 18,055				
4425	SEWER MAINTENANCE	6,136,800		288,368	696,834	5,151,598									
4413	CUSTOMER SERVICE *	2,808,841										2,808,841			
442305	INDUSTRIAL PRETREATMENT	633,966											633,966		
	SUBTOTAL OPERATING EXPENSE	22,988,458	12,445,175	311,698	150,435	483,488	288,368	696,834	5,151,598	18,055	2,808,841	633,966			
4410	ADMINISTRATION	1,993,602												1,993,602	
	TOTAL	\$ 24,982,060	\$ 12,445,175	\$ 311,698	\$ 150,435	\$ 483,488	\$ 288,368	\$ 696,834	\$ 5,151,598	\$ 18,055	\$ 2,808,841	\$ 633,966	\$ 1,993,602		

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

METHOD OF DISTRIBUTION

4423	WASTEWATER TREATMENT	100.000%														
	A. TREATMENT PLANT		92.813%													
	B. LIFT & METER STATIONS		7.187%													
	NO. OF STATIONS	(59)		(1)	(8)	(44)										(6)
4425	SEWER MAINTENANCE	100.000%														
	TOTAL MILES	893.47														
	A. INTERCEPTOR MILES	41.98					4.699%									
	B. TRUNK LINES MILES	101.45					11.355%	11,355%								
	C. LOCAL COLLECTOR MILES	750.04					83.946%	83,946%								
4413	CUSTOMER SERVICE	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 ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2007
RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 4410- ADMINISTRATION

NO.	EXPENDITURE SUB-OBJECT DESCRIPTION	OPERATING EXPENSES	ADJUSTED COST FACTORS	ADJUSTED CURRENT ANNUAL EXPENSES
703	RETIREE HEALTH CARE	\$ 14,416.05	\$ 6,850.79	\$ 21,266.84
706	PERMANENT EMPLOYEES	156,962.55	-	156,962.55
715	EMPLOYERS SOCIAL SECURITY	11,093.95	-	11,093.95
716	ELECTION WORKERS PAY	5,633.92	-	5,633.92
719	HOSPITALIZATION INSURANCE	18,950.85	3,581.71	22,532.56
721	LONGEVITY PAY	1,508.70	-	1,508.70
722	RETIREMENT FUND CONTRIBUTION	19,110.75	(5,140.79)	13,969.96
	TOTAL PERSONAL SERVICES	<u>227,676.77</u>	<u>5,291.71</u>	<u>232,968.48</u>
728	SUPPLIES	2,116.96	-	2,116.96
771	INVENTORY	(9,560.35)	-	(9,560.35)
780	INVENTORY - COST OF GOODS SOLD	(1,466.90)	-	(1,466.90)
	TOTAL SUPPLIES	<u>(8,910.29)</u>	<u>-</u>	<u>(8,910.29)</u>
810	BAD DEBT WRITE-OFFS	629.88	-	629.88
814	COMPUTER SERVICES	468,786.60	-	468,786.60
818	CONTRACTUAL SERVICES	38,362.73	-	38,362.73
872	PROFESSIONAL DEVELOPMENT	5,268.52	-	5,268.52
873	OTHER TRAVEL AND TRAINING	2,732.12	-	2,732.12
874	LOCAL BUSINESS EXPENSE	2,111.72	-	2,111.72
875	MEMBERSHIPS	9,444.82	-	9,444.82
876	PUBLICATIONS AND SUBSCRIPTIONS	1,160.36	-	1,160.36
919	INSURANCE PREMIUMS	98,507.47	-	98,507.47
928	TELEPHONE	1,737.01	-	1,737.01
942	BUILDINGS RENTALS OR LEASE	12,907.18	-	12,907.18
943	EQUIPMENT RENTALS OR LEASE	57.00	-	57.00
947	VEHICLE RENTAL/CAR MILEAGE	6,132.75	-	6,132.75
	TOTAL OTHER SERVICES & CHARGES	<u>647,838.16</u>	<u>-</u>	<u>647,838.16</u>
999	OPERATING TRANSFERS OUT	1,232,524.00	(110,818.00)	1,121,706.00
	TOTAL TRANSFERS/FEES	<u>1,232,524.00</u>	<u>(110,818.00)</u>	<u>1,121,706.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,099,128.64</u>	<u>\$ (105,526.29)</u>	<u>\$ 1,993,602.35</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2007
RATE STUDY- TASKS NO. 4 & 5**

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

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
999	OPERATING TRANSFERS OUT *	\$ 2,769,489.92	\$ 39,351.40	\$ 2,808,841.32
	TOTAL TRANSFERS/FEEES	<u>2,769,489.92</u>	<u>39,351.40</u>	<u>2,808,841.32</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,769,489.92</u>	<u>\$ 39,351.40</u>	<u>\$ 2,808,841.32</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, 2007
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	\$ 336,805.62	\$ 126,700.41	\$ 463,506.03
706	PERMANENT EMPLOYEES	3,416,203.19	-	3,416,203.19
707	TEMPORARY EMPLOYEES	24,276.96	-	24,276.96
708	SHIFT DIFFERENTIAL	10,272.24	-	10,272.24
709	TIME & ONE-HALF	92,810.31	-	92,810.31
710	ACT.ASSIGNMENT	4,014.92	-	4,014.92
712	UNEMPLOYMENT COMPENSATION	10,851.36	-	10,851.36
714	REGULAR HOURLY RATE	2,546.51	-	2,546.51
715	EMPLOYERS SOCIAL SECURITY	278,441.64	-	278,441.64
719	HOSPITALIZATION INSURANCE	812,575.50	153,576.77	966,152.27
721	LONGEVITY PAY	37,642.03	-	37,642.03
722	RETIREMENT FUND CONTRIBUTION	569,947.02	(153,315.75)	416,631.27
	TOTAL PERSONAL SERVICES	<u>5,596,387.30</u>	<u>126,961.43</u>	<u>5,723,348.73</u>
728	SUPPLIES	1,130,989.55	-	1,130,989.55
768	CLOTHING/CLEANING ALLOWANCE	5,406.50	-	5,406.50
771	INVENTORY	9,560.35	-	9,560.35
780	INVENTORY - COST OF GOODS SOLD	19,873.30	-	19,873.30
	TOTAL SUPPLIES	<u>1,165,829.70</u>	<u>-</u>	<u>1,165,829.70</u>
818	CONTRACTUAL SERVICES	3,242,571.27	221,568.00	3,464,139.27
835	FEES	44,806.52	-	44,806.52
872	PROFESSIONAL DEVELOPMENT	197.00	-	197.00
873	OTHER TRAVEL AND TRAINING	8,777.41	-	8,777.41
874	LOCAL BUSINESS EXPENSE	73.84	-	73.84
875	MEMBERSHIPS	7,198.76	-	7,198.76
876	PUBLICATIONS AND SUBSCRIPTIONS	997.39	-	997.39
900	PRINTING & PUBLISHING	150.50	-	150.50
921	ELECTRICITY	1,969,117.19	-	1,969,117.19
922	WATER	72,615.17	-	72,615.17
923	GAS	321,246.77	-	321,246.77
928	TELEPHONE	125,745.00	-	125,745.00
930	MAINTENANCE REPAIR	241,060.29	18,584.00	259,644.29
943	EQUIPMENT RENTALS OR LEASE	169,781.09	-	169,781.09
947	VEHICLE RENTAL/CAR MILEAGE	4,202.98	-	4,202.98
959	REFUSE COLLECTION CHARGES	1,134.70	-	1,134.70
	TOTAL OTHER SERVICES & CHARGES	<u>6,209,675.88</u>	<u>240,152.00</u>	<u>6,449,827.88</u>
976	BLD. ADDITIONS/IMPROVEMENTS	18,340.11	-	18,340.11
982	EQUIPMENT	51,504.39	-	51,504.39
	TOTAL CAPITAL	<u>69,844.50</u>	<u>-</u>	<u>69,844.50</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 13,041,737.38</u>	<u>\$ 367,113.43</u>	<u>\$ 13,408,850.81</u>

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2007
RATE STUDY- TASKS NO. 4 & 5

ORGANIZATIONAL UNIT: 442305- IND. PRETREATMENT

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ 35,836.16	\$ 13,527.07	\$ 49,363.23
706	PERMANENT EMPLOYEES	363,147.44	-	363,147.44
707	TEMPORARY EMPLOYEES	6,798.81	-	6,798.81
709	TIME & ONE-HALF	6,443.22	-	6,443.22
710	ACT.ASSIGNMENT	(224.06)	-	(224.06)
715	EMPLOYERS SOCIAL SECURITY	29,103.67	-	29,103.67
719	HOSPITALIZATION INSURANCE	75,114.93	14,196.72	89,311.65
721	LONGEVITY PAY	4,685.86	-	4,685.86
722	RETIREMENT FUND CONTRIBUTION	62,226.85	(16,739.02)	45,487.83
	TOTAL PERSONAL SERVICES	<u>583,132.88</u>	<u>10,984.77</u>	<u>594,117.65</u>
728	SUPPLIES	7,693.33	-	7,693.33
730	POSTAGE	3,559.10	-	3,559.10
768	CLOTHING/CLEANING ALLOWANCE	167.50	-	167.50
	TOTAL SUPPLIES	<u>11,419.93</u>	<u>-</u>	<u>11,419.93</u>
810	BAD DEBT WRITE-OFFS	300.00	-	300.00
818	CONTRACTUAL SERVICES	3,255.44	-	3,255.44
820	DEMOLITION SERVICES	2,525.27	-	2,525.27
874	LOCAL BUSINESS EXPENSE	427.50	-	427.50
875	MEMBERSHIPS	1,011.92	-	1,011.92
876	PUBLICATIONS AND SUBSCRIPTIONS	222.87	-	222.87
900	PRINTING & PUBLISHING	1,233.33	-	1,233.33
930	MAINTENANCE REPAIR	1,003.94	-	1,003.94
942	BUILDINGS RENTALS OR LEASE	18,447.96	-	18,447.96
	TOTAL OTHER SERVICES & CHARGES	<u>28,428.23</u>	<u>-</u>	<u>28,428.23</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 622,981.04</u>	<u>\$ 10,984.77</u>	<u>\$ 633,965.81</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2007
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	\$ 116,740.85	\$ 45,936.63	\$ 162,677.48
706	PERMANENT EMPLOYEES	1,198,123.25	-	1,198,123.25
707	TEMPORARY EMPLOYEES	345.42	-	345.42
708	SHIFT DIFFERENTIAL	9.60	-	9.60
709	TIME & ONE-HALF	96,774.50	-	96,774.50
710	ACT.ASSIGNMENT	5,138.38	-	5,138.38
714	REGULAR HOURLY RATE	2,760.44	-	2,760.44
715	EMPLOYERS SOCIAL SECURITY	100,109.76	-	100,109.76
719	HOSPITALIZATION INSURANCE	296,976.70	56,128.60	353,105.30
721	LONGEVITY PAY	14,078.57	-	14,078.57
722	RETIREMENT FUND CONTRIBUTION	196,448.15	(52,844.55)	143,603.60
	TOTAL PERSONAL SERVICES	<u>2,027,505.62</u>	<u>49,220.68</u>	<u>2,076,726.30</u>
728	SUPPLIES	232,766.14	-	232,766.14
768	CLOTHING/CLEANING ALLOWANCE	6,274.17	-	6,274.17
	TOTAL SUPPLIES	<u>239,040.31</u>	<u>-</u>	<u>239,040.31</u>
818	CONTRACTUAL SERVICES	1,326,568.83	-	1,326,568.83
876	PUBLICATIONS AND SUBSCRIPTIONS	409.08	-	409.08
900	PRINTING & PUBLISHING	175.00	-	175.00
912	CLAIMS	2,166,356.92	(750,000.00)	1,416,356.92
921	ELECTRICITY	8,066.35	-	8,066.35
922	WATER	4,736.15	-	4,736.15
923	GAS	21,747.45	-	21,747.45
928	TELEPHONE	4,632.68	-	4,632.68
930	MAINTENANCE REPAIR	22,784.10	-	22,784.10
931	HOME REPAIR	25,205.21	-	25,205.21
943	EQUIPMENT RENTALS OR LEASE	663,293.30	-	663,293.30
945	LAND RENTAL OR LEASE	7,700.28	-	7,700.28
947	VEHICLE RENTAL/CAR MILEAGE	1,146.00	-	1,146.00
959	REFUSE COLLECTION CHARGES	1,247.87	-	1,247.87
	TOTAL OTHER SERVICES & CHARGES	<u>4,254,069.22</u>	<u>(750,000.00)</u>	<u>3,504,069.22</u>
999	OPERATING TRANSFERS OUT	316,964.00	-	316,964.00
	TOTAL TRANSFERS/FEES	<u>316,964.00</u>	<u>-</u>	<u>316,964.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 6,837,579.15</u>	<u>\$ (700,779.32)</u>	<u>\$ 6,136,799.83</u>

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 19, 2007

TO: Eric R. DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: FY 2007 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 final rate study reassigned the \$9,057 in O&M expenses for the 8th & Leonard LS to Tallmadge Township's revenue requirements. (Preliminary rate study inadvertently assigned this to Wright Township's revenue requirements)

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

MW

Attachment

srs\stask4 2007

**CITY OF GRAND RAPIDS, MICHIGAN
INVENTORY OF SEWAGE PUMPING STATIONS
FOR THE YEAR ENDED JUNE 30, 2007**

<u>Station</u>	<u>Physical Location</u>	<u>Type</u>	<u>FY'07 Expenses</u>
Market Avenue	Grand Rapids	Interceptor	\$ 303,164
Millbank	Grand Rapids	Local	5,086
Eastlake	Grand Rapids	Local	12,355
Eastern	Grand Rapids	Trunk	7,279
Middleboro	Grand Rapids	Trunk	16,681
Oak Hollow	Grand Rapids Twosp	Local	12,263
Kingsbury	Walker	Trunk	16,468
Bona Vista	Grand Rapids	Trunk	14,754
Aberdeen	Grand Rapids	Local	13,595
O'Brien	Walker	Trunk	39,788
Leonard Heights	Walker	Trunk	12,428
Guild	Grand Rapids	Local	7,362
Orchard Vista	Cascade Twosp	Local	5,100
Brookview	Grand Rapids	Trunk	15,603
Remembrance Road	Walker	Local	79,909
Kraft Avenue	Cascade Twosp	Local	9,973
Thornapple	Cascade Twosp	Trunk	23,315
Thornhills	Cascade Twosp	Local	10,811
Greenbrier	Grand Rapids Twosp	Local	8,290
Shore Haven	Grand Rapids Twosp	Local	7,814
Ada	Ada	Local	14,611
Robinhood	Grand Rapids Twosp	Local	20,224
Lincoln School	Grand Rapids Twosp	Local	5,966
Reeds Lake Blvd.	Grand Rapids Twosp	Local	13,702
6000 28th Street	Cascade Twosp	Local	9,466
Ada	Ada	Meter	2,386
East Grand Rapids	East Grand Rapids	Meter	3,246
Brandau *	North Kent	Meter	0
Briggs	North Kent	Meter	1,294
Gaines Township	Gaines Township	Meter	4,000
Kentwood	Kentwood	Meter	3,681
Alpine Township Meter	Alpine Township	Meter	2,954
Rickman Avenue	Grand Rapids	Local	10,967
Michigan Street	Grand Rapids	Local	7,273
Eagle Crest	Grand Rapids Twosp	Local	15,242
East Paris	Grand Rapids Twosp	Local	8,580
Alpine Estates	Walker	Local	8,497
Elmdale	Grand Rapids	Local	3,860
Collindale	Walker	Local	9,923
Saddleback	Grand Rapids Twosp	Local	6,233
Arbor Hills Lift Station	Grand Rapids Twosp	Local	6,120
Cypress Trails	Grand Rapids Twosp	Local	3,488
Bird Avenue	Grand Rapids Twosp	Local	20,186
Valentine	Grand Rapids Twosp	Local	3,216
Cascade Springs	Cascade Twosp	Local	10,673
Churchill Downs	Grand Rapids	Local	6,789
Woodsboro Court	Grand Rapids Twosp	Local	3,406
Meadowood Trails	Cascade Twosp	Local	3,481
Stonebridge	Grand Rapids Twosp	Local	8,708
Burton/Cacade	Cascade Twosp	Local	20,930
Crahen	Grand Rapids Twosp	Local	8,246
Jonathan Woods	Cascade Twosp	Local	6,496
Watermark	Cascade Twosp	Local	8,117
Mountain Ash	Tallmadge Twosp	Local	8,220
Reeds Hollow	Grand Rapids Twosp	Local	7,479
16th Avenue Lift Station	Marne	Local	10,194
Hayes West Lift Station	Tallmadge	Local	7,676
Hayes East Lift Station	Tallmadge	Local	4,685
8th & Leonard LS	Tallmadge <i>(Prelim RS to Wrt)</i>	Local	9,057
Summit Ridge LS	Grand Rapids	Local	5,984
			\$ 937,294

* Test period expenses adjusted to \$0, given NK's Brandau LS to be operational as of January 1, 2008.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: September 19, 2007

TO: Mike Wolski
Utility Financial Officer

FROM: Scott Buhre 
Chief Financial Officer

SUBJECT: 2007 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.

RECEIVED

SEP 21 2007

**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, 2007**

Sub-Object – 703

The factor to establish calendar year 2008's retiree health care cost is 13.42%. The total of calendar year 2008's wages (sub-object 706) and longevity (sub-object 721) multiplied by this factor will establish the cost for calendar year 2008. The retiree health cost for calendar year 2008 was 14.05% per the City's actuary. I suggest using a blended rate for FY2009 of 13.74%.

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

The wage increase factor to translate FY2007 actual costs to estimated calendar 2008 will be 0.0%. All labor contracts had expired by 6/30/07. Wage increases that may be effective as of 1/1/08 cannot be estimated.

Sub-Object – 715

There will be no change in FICA expense because of the 0.0% wage increase estimate.

Sub-Object – 719

Increase FY2007 health insurance actual by 18.9% to reflect rate changes effective in FY2008.

Sub-Object – 722

Decrease FY2007 actual pension expense by 26.9% to reflect the effect of a General Pension rate change dropping from 16.91% to 12.36%. There is no wage effect on the calculation as the wage change is estimated to be 0.0% at this time.

Personnel Costs - Generally

The City anticipates a 6.4% reduction in personnel costs as of the effective date of new labor contracts.

Sub-Object – 999

Administration – Adjust FY2007 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 9, 2007

TO: Eric R. DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: **2007 SEWER RATE STUDY- TASK #5- KNOWN COST INCREASES/DECREASES**

Known cost increases by which to adjust FY07 operating costs include fund carry-forwards for projects that were not completed prior to June 30, 2007, are as follows:

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
4423-818	Ostrander Siding & Roofing	\$ 81,330
4425-818	Nagel Construction	140,238
4423-930	Advantage Mechanical	18,584

In addition, the system received \$750,000 for the "Dykema" rain event, which has been applied against (decrease) the cost of claims paid during the test period from the sanitary sewer account. (4425-912)

MW

srs\stask5 2007

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 9, 2007

TO: Eric R. DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: **2007 SEWER RATE STUDY- TASK #6**

The Sewage Disposal System Fund's revenues and volumes by governmental unit for the year ended June 30, 2007 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 2007

**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, 2007:

RETAIL:	SALES REVENUE		VOLUME BILLED
	METERED SALES	SURCHARGES	(GALLONS)
CITY OF GRAND RAPIDS (1)	\$ 24,292,009.88	\$ 220,636.89	5,770,855,904
CITY OF WALKER	2,441,580.31	43,115.49	712,455,040
CITY OF KENTWOOD	2,489,690.18	354,120.68	1,078,990,748
CASCADE TOWNSHIP	1,383,576.04	10,594.39	347,896,296
GRAND RAPIDS TOWNSHIP	1,462,459.00		307,009,120
TALLMADGE TOWNSHIP	132,356.50		11,724,900
WRIGHT TOWNSHIP (2)	210,398.08	10,392.49	18,511,481
SUB-TOTAL RETAIL (3)	<u>\$ 32,412,069.99</u>	<u>\$ 638,859.94</u>	<u>8,247,443,489</u>
WHOLESALE:			
CITY OF E. GRAND RAPIDS	\$ 544,643.83		470,256,700
NORTH KENT AREA	1,930,750.29		1,487,392,765
ADA TOWNSHIP	473,725.29	309,717.57	316,064,352
GAINES TOWNSHIP	129,153.18		106,534,500
MEIJER - ALGOMA	5,205.24		7,528,235
SUB-TOTAL WHOLESALE	<u>\$ 3,083,477.83</u>	<u>\$ 309,717.57</u>	<u>2,387,776,552</u>
TOTAL	<u>\$ 35,495,547.82</u>	<u>\$ 948,577.51</u>	<u>10,635,220,041</u>

REVENUE CLASSIFICATION:

4410 - 607054 ADA SEWAGE SERVICE CHARGE	\$ 473,725.29
4410 - 607055 RETAIL SEWAGE SERVICE CHARGE	32,324,225.52
4410 - 607056 WYOMING SEWAGE SERVICE CHARGE	87,844.47
4410 - 607058 NORTH KENT SEWAGE SERVICE CHARGE	1,930,750.29
4410 - 607060 E. GRAND RAPIDS SEWAGE SERVICE CHARGE	544,643.83
4410 - 607062 GAINES TWP SEWAGE SERVICE CHARGE	129,153.18
4410 - 607014 MEIJER-ALGOMA SEWAGE SERVICE CHARGE	5,205.24
4423 - 607074 SEWAGE SURCHARGE	948,577.51
	<u>\$ 36,444,125.33</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 2007.
- (3) A REVENUE ACCRUAL OF -\$229,500 (-76,175,114 GALLONS) HAS BEEN PRORATED TO ALL RETAIL CUSTOMER COMMUNITIES HAVING COMMODITY RATES TO ACCRUE BILLINGS FROM THE LAST READING DATE THROUGH JUNE 30, 2007.

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
2007 RATE STUDY TASK NO. 6**

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

MUNICIPALITY	FY03		FY04		FY05		FY06		FY07		FY03-FY07 % CHANGE
	VOL BILLED	% CHANGE									
GRAND RAPIDS	6,673,066	-6.28%	6,254,185	-2.05%	6,125,981	0.55%	6,159,389	-6.31%	5,770,856	-13.52%	
WALKER	726,101	-0.90%	719,570	10.04%	791,795	-6.43%	740,908	-3.84%	712,455	-1.88%	
KENTWOOD	1,067,563	-4.46%	1,019,952	1.18%	1,032,023	8.69%	1,121,707	-3.81%	1,078,991	1.07%	
CASCADE	347,477	-5.26%	329,210	1.77%	342,131	7.02%	350,540	-3.77%	347,896	0.12%	
GRAND RAPIDS TWP	300,216	-2.43%	292,933	16.31%	298,115	22.56%	319,053	-12.54%	307,009	2.26%	
TALLMADGE	10,817	-4.84%	9,404	5.99%	10,938	-11.23%	13,406	19.16%	11,725	8.39%	
WRIGHT TWP *	17,666	-1.40%	16,811	3.51%	17,499	5.89%	15,534	1.71%	18,511	7.71%	
EAST GRAND RAPIDS	436,600	15.33%	462,732	3.83%	436,613	-7.82%	462,344	2.99%	470,257	0.32%	
NORTH KENT AREA	1,482,714	56.95%	1,461,954	43.05%	1,513,329	44.67%	1,511,948	45.74%	1,487,393	19.19%	
ADA TWP	265,176	100.00%	305,816	100.00%	319,934	100.00%	327,601	100.00%	316,064	5.59%	
GAINES TWP	100,896	100.00%	104,762	100.00%	112,218	100.00%	103,447	100.00%	106,535	5.99%	
MEIJER - ALGOMA		N/A	5,041	68.74%	3,848	68.74%	6,493	15.94%	7,528	N/A	
TOTAL	11,428,292	-3.90%	10,982,370	0.20%	11,004,424	1.16%	11,132,370	-4.47%	10,635,220	-6.94%	

* ESTIMATED FLOW.

GRAND RAPIDS VOLUME COMPARED TO
CUSTOMER COMMUNITIES

VOLUME = 1,000 GALLONS	FY03		FY04		FY05		FY06		FY07	
	% OF TOTAL	VOL BILLED	% OF TOTAL							
GRAND RAPIDS	58.39%	6,254,185	56.95%	6,125,981	55.67%	6,159,389	55.33%	5,770,856	54.26%	
CUSTOMER COMMUNITIES	41.61%	4,728,185	43.05%	4,878,443	44.33%	4,972,981	44.67%	4,864,364	45.74%	
TOTAL	100.00%	10,982,370	100.00%	11,004,424	100.00%	11,132,370	100.00%	10,635,220	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	\$ 61,339.72
4410-607001	MISCELLANEOUS SERVICE FEES	13,156.29
4410-607057	INDUSTRIAL DISCHARGE AUTHORIZATION	34,503.35
4410-607043	PRELIM/DESIGN/CONSTR ENGINEERING	130,616.89
4410-658002	PAYMENT IN LIEU OF FINES	-
		<u>\$ 239,616.25</u>

CREDIT: UNDERUTILIZATION OF PENALTY CREDIT FROM PREVIOUS YEAR	<u>\$ 10,857.00</u>
---	---------------------

OTHER OPERATING REVENUES NOT INCLUDED:

CAPITAL CONTRIBUTION

4410-607061	SEWAGE FRONT FOOTAGE	\$ 218,375.81
	AUDITOR'S ADJUSTMENT	-
		<u>\$ 218,375.81</u>
4410-607059	INTEGRATED SEWER CONNECTION	<u>\$ 1,058,619.06</u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 10, 2007

TO: Michael Wolski
Utility Financial Officer

FROM: Randy Fisher
Assistant Director of Environmental Services

SUBJECT: **2007 SEWER RATE STUDY- TASK #8**

Randy Fisher

No significant changes in operating levels are anticipated to take effect by January 1, 2008, which would require adjustments to operating costs for the test period.

RF:MW

srs\stask8 2007

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 10, 2007

TO: Michael Wolski
Utility Financial Officer

FROM: Randy Fisher
Assistant Director of Environmental Services

SUBJECT: **2007 SEWER RATE STUDY- TASK #9**

Randall Fisher

No significant changes in sewer revenues are anticipated to take effect by January 1, 2008, which would require an adjustment to operating revenue estimates as a whole.

RFMW

srs\stask9 2007

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 10, 2007

TO: Michael Wolski
Utility Financial Officer

FROM: Charles R. Schroeder, PE
Hydraulic Engineer 

SUBJECT: 2007 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, 2008.

<u>Description</u>	<u>Location</u>	<u>Amount</u>
WWTP- C/D Primary Clarifier Tanks	Grand Rapids- Integrated	\$1,017,015
WWTP- Standby Generator	Grand Rapids- Integrated	267,421
WWTP- PLC Comm. System	Grand Rapids- Integrated	420,262
WWTP- Sludge Pump Replacement	Grand Rapids- Integrated	557,770
Division Ave- Quigley/Cottage Grove	Grand Rapids	511,811
Bond Ave Alley- Replace SS	Grand Rapids	153,195
Icon on Bond	Grand Rapids	386,805
Franklin Trans WM- Contract #4	Grand Rapids	533,361
Franklin Trans WM- Contract #5	Grand Rapids	945,696
Franklin Trans WM- Contract #2	Grand Rapids	590,408
Cherry- Jefferson/Prospect	Grand Rapids	705,105
Indian Mill Creek	Grand Rapids	5,287,953
Indian Mill Creek	Walker	1,818,349
Tallman Creek	Walker	5,796,053
Remembrance LS Improvements	Walker	1,139,200
28 th Street Forcemain	Cascade	1,440,000

CRS\MW

srs\stask10 2007

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

"COMPUTE ACCUMULATED COST, DEPRECIATION AND DEPRECIATION EXPENSE AS OF JUNE 30, 2007"

INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 1,041,867	\$ -	\$ -
LAND IMPROVEMENTS	12,093,644	9,345,418	553,940
BUILDINGS & STRUCTURES	47,377,402	23,313,433	870,194
PROCESS EQUIPMENT	51,755,089	23,303,737	1,440,460
AUXILIARY EQUIPMENT	23,674,615	21,680,829	181,175
MACHINERY & EQUIPMENT	4,871,847	3,966,832	155,097
OFFICE EQUIPMENT & FURNITURE	628,067	588,754	20,120
	<u>\$ 141,442,531</u>	<u>\$ 82,199,003</u>	<u>\$ 3,220,986</u>

NON-INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 1,310,287		
LAND IMPROVEMENTS	2,325,098	115,302	63,918
BUILDINGS & STRUCTURES	6,860,629	1,382,173	135,201
PROCESS EQUIPMENT	12,512,743	2,764,036	282,391
AUXILIARY EQUIPMENT	2,581,348	1,191,561	109,823
MACHINERY & EQUIPMENT	1,471,862	182,859	93,525
OFFICE EQUIPMENT & FURNITURE	68,632	54,906	4,576
SERVICEMAINS - GRAND RAPIDS	235,118,016	55,870,155	4,010,173
SERVICEMAINS - WALKER	24,944,803	9,323,333	493,119
SERVICEMAINS - KENTWOOD	24,751,223	9,366,710	491,704
SERVICEMAINS - CASCADE TWP	16,016,920	4,978,124	318,758
SERVICEMAINS - GRAND RAPIDS TWP	14,789,529	4,283,600	288,242
SERVICEMAINS - TALLMADGE TWP	4,917,273	458,018	97,767
SERVICEMAINS - WRIGHT TWP	125,288	3,759	2,506
	<u>\$ 347,793,651</u>	<u>\$ 89,974,536</u>	<u>\$ 6,391,703</u>
TOTAL	<u>\$ 489,236,182</u>	<u>\$172,173,539</u>	<u>\$ 9,612,689</u>

SOURCE: FINAL GENERAL LEDGER, AS ADJUSTED, FOR JUNE 30, 2007.

**SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
ZONEGATED FACILITIES
TASK #13
October 9, 2007**

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 FY07 characteristics. Jointly used pumping stations were also prorated based on B&V zoning report, which has been adjusted to recognize North Kent's Brandau LS as being operational as of January 1, 2008. All zoning work papers are on file at the Coldbrook Complex. Maps are on file in the City Engineer's Office.

MW

srs\stask13 2007

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

	MILLION GALLONS
1.) ANNUAL WASTEWATER TREATMENT PLANT FLOW	18,729.23
LESS: WHOLESALE BILLED FLOW	(2,387.77)
LESS: RETAIL BILLED FLOW	(8,247.45)
TOTAL RETAIL I/I & OTHER FLOW	8,094.01
2.) RETAIL INFLOW FROM SEPARATED AREAS (A)	634.23
RETAIL INFLOW FROM COMBINED AREAS - AMOUNT ESTIMATED (A)	874.09
LESS: ANNUAL BYPASS FROM (3) PUMPING STATIONS	-
LESS: IN-SYSTEM BYPASS & RETENTION BASIN OVERFLOW	(28.86)
TOTAL RETAIL INFLOW	1,479.46
3.) RETAIL INFILTRATION:	
TOTAL RETAIL I/I & OTHER FLOW	8,094.01
LESS: TOTAL RETAIL INFLOW (#2)	(1,479.46)
LESS: MARKET AVE RETENTION BASIN (MARB) CAPTURE	6,614.55
TOTAL RETAIL INFILTRATION & OTHER FLOW	(317.70)
4.) ALLOCATION OF RETAIL INFILTRATION & OTHER FLOW - APPORTIONED ON THE BASIS OF B&V SUMMARY OF 1997 MONITORED FLOW DATA (B)	
	6,296.85
	(317.70)
	6,296.85

	MILLION GALLONS
PRORATA SHARE OF RETAIL INFILTRATION & OTHER	6,296.85
100.00000%	6,296.85
100.00000%	6,296.85

	MILLION GALLONS
GOVERNMENTAL UNIT(S)	
UTILITY PARTNERS	
TOTAL	6,296.85

(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)	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)
UTILITY PARTNERS	9,041.30	1,479.46	6,296.85	270.09	17,087.70	91.2354%	46.8157
NORTH KENT	1,487.39	-	-	44.43	1,531.82	8.1788%	4.1968
GAINES TWP	106.53	-	-	3.18	109.71	0.5858%	0.3006
TOTAL	10,635.22	1,479.46	6,296.85	317.70	18,729.23	100.0000%	51.3131

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

MEMORANDUM

CITY OF GRAND RAPIDS

Date: July 31, 2007

To: Michael Wolski
Utility Financial Officer

From: Randall Fisher
Acting Director of Environmental Services

Subject: FY07 Wastewater Plant Flow Data

Randall Fisher

Listed below is the flow data for the last completed fiscal year. Compared to last years report the plant flow increased by 6.87% from 17,525.22 million gallons treated in FY06 to 18,729.23 million gallons treated in FY07.

If you have any questions, please contact me.

Monthly data

Month	Total MG
July	1467.94
August	1334.13
September	1366.63
October	1619.38
November	1441.17
December	1863.8
January	1588.93
February	1267.76
March	1989.23
April	1824.64
May	1553.56
June	1412.06
Total	18729.23

Fiscal year data

Wastewater Treatment Plant (WWTP) avg. daily flow (MG)	51.3130
Rainfall recorded at WWTP (inches)	38.60
In-System overflows (MG) (report attached)	12.767
Market Avenue Retention Basin (MARB) inflow (MG)*	333.79
Market Avenue Retention Basin (MARB) overflow (MG)	16.09

* Wet weather inflow only

Copy
Rick DeVries, Acting City Engineer

CITY OF GRAND RAPIDS, MICHIGAN
LONG TERM OVERFLOW MONITORING REPORT
OVERFLOW VOLUME SUMMARY
FISCAL YEAR 2007

Overflow Date	Rainfall Inches(1)	Pumping Station Overflows			West Side Ditch MG	In-System Overflows		Total Overflow Volume MG	
		MAPS(2) MG(4)	F/W(3) MG	Total MG		Monitored MG	Modeled MG		
7/11/2006	1.6	0.000	0.000	0.000	0.000	0.632	0.000	0.632	
7/18/2006	2.91	0.000	0.000	0.000	0.000	7.101	0.000	7.101	
7/30/2006	0.71	0.000	0.000	0.000	0.000	0.103	0.000	0.103	
8/3/2006	0.96	0.000	0.000	0.000	0.000	0.199	0.000	0.199	
9/9/2006	0.91	0.000	0.000	0.000	0.000	0.951	0.000	0.951	
9/11/2006	0.73	0.000	0.000	0.000	0.000	0.012	0.000	0.012	
9/13/2006	0.81	0.000	0.000	0.000	0.000	0.044	0.000	0.044	
9/23/2006	1.13	0.000	0.000	0.000	0.000	0.340	0.000	0.340	
10/2/2006	1.42	0.000	0.000	0.000	0.000	0.318	0.000	0.318	
10/2/2006	0.59	0.000	0.000	0.000	0.000	0.170	0.000	0.170	
10/4/2006	0.25	0.000	0.000	0.000	0.000	0.001	0.000	0.001	
11/10/2006	1.09	0.000	0.000	0.000	0.000	0.577	0.000	0.577	
11/29/2006	1.42	0.000	0.000	0.000	0.000	0.669	0.000	0.669	
12/12/2006	0.35	0.000	0.000	0.000	0.000	0.173	0.000	0.173	
3/22/2007	1.09	0.000	0.000	0.000	0.000	0.179	0.000	0.179	
4/3/2007	0.27	0.000	0.000	0.000	0.000	0.001	0.000	0.001	
5/1/2007	0.21	0.000	0.000	0.000	0.000	0.002	0.000	0.002	
6/2/2007	1.11	0.000	0.000	0.000	0.000	1.268	0.000	1.268	
6/3/2007	0.45	0.000	0.000	0.000	0.000	0.010	0.000	0.010	
6/27/2007	0.47	0.000	0.000	0.000	0.000	0.017	0.000	0.017	
		0.000	0.000	0.000	0.000	0.000	0.000	0.000	
							Total		12.767

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

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 10, 2007

TO: Michael Wolski
Utility Financial Officer

FROM: Charles R. Schroeder, PE
Hydraulic Engineer 

SUBJECT: 2007 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 service area that passed through the Brandau meter station will now flow through the 4Mile/Briggs meter station, which reflects North Kent's Brandau LS as being operational as of January 1, 2008.

CRS\MW

srs\stask14 2007

**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	\$ 21,570,404	
	- TASK #11	489,236,182	
	- TASK #16/21	<u>(158,194,371)</u>	\$ 352,612,215
LESS: ACCUMULATED DEPRECIATION	- TASK #10	\$ 55,886	
	TASK #11	172,173,539	
	TASK #16/21	<u>(25,000,905)</u>	<u>(147,228,520)</u>
			205,383,695
WORKING CAPITAL REQUIREMENT	- TASK #12	\$ 7,498,527	
			<u>7,498,527</u>
			212,882,222
CONTRIBUTIONS BY OTHERS	- TASK #21	\$ 177,971,346	
LESS: AMORTIZATION		(97,480,080)	
			<u>(80,491,266)</u>
CONSTRUCTION COST RATE BASE			<u><u>\$ 132,390,956</u></u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 10, 2007

TO: Michael E. Wolski
Utility Financial Officer

FROM: Linda Wagenmaker *LW*
Financial Analyst

SUBJECT: **2007 SEWER RATE STUDY TASK #15A
INTEGRATED SEWER CONNECTION FEES**

Attached is the Integrated Sewer Connection Fee Schedule as currently provided for in Chapter 27 of the City Code, with the addition of rates to be effective on January 1, 2008. The City Commission on June 27, 2000 established fees through calendar year 2004. Beginning January 1, 2005, the integrated sewer connection fees are to be calculated on a yearly basis as part of the annual Water/Sewer Rate Study. The Consumer Price Index used to determine rates effective January 1, 2008 is as follows:

August, 2006 Index	203.9
August, 2007 Index	207.917
Increase	4.017
Percentage increase	1.97%

LW

Attachment

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>1/01/07</u>	<u>1/01/08</u>
3/4 or less	\$ 2,450	\$2,500
1	4,100	4,150
1 ½	8,150	8,300
2	13,050	13,300
3	28,600	29,150
4	51,450	52,450
6 and over	114,350	116,600

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 2008 - ACCRUAL BASIS

DATE	SRF/REVENUE REFERENCE SERIES	REVENUE BONDS			STATE REVOLVING FUNDS			TOTAL			TOTAL PRINCIPAL & INTEREST
		PRINCIPAL	INTEREST	TRUSTEE	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
07/01/08	N/A	1998	(1)	\$ 708,739.35	\$ 1,250.00						\$ 709,989.35
01/01/09	N/A	1998	(1)	\$ 1,286,653.50	1,250.00						\$ 1,996,642.85
07/01/08	N/A	2004	(2)	704,250.00	600.00						704,850.00
01/01/09	N/A	2004	(2)	704,250.00	600.00						704,850.00
07/01/08	N/A	2005	(3)	524,400.00	800.00						525,200.00
01/01/09	N/A	2005	(3)	524,400.00	800.00						525,200.00
04/01/08	01	1991				\$ 65,000.00	\$ 2,075.00	(4)	0.00	2,075.00	2,075.00
10/01/08		SRF					4,150.00		65,000.00	4,150.00	69,150.00
04/01/09							1,750.00	(4)	0.00	1,750.00	1,750.00
04/01/08	02/03	1992A				770,000.00	24,450.00	(4)	0.00	24,450.00	24,450.00
10/01/08		SRF					48,900.00		770,000.00	48,900.00	818,900.00
04/01/09							20,600.00	(4)	0.00	20,600.00	20,600.00
04/01/08	04	1992B				90,000.00	2,925.00	(4)	0.00	2,925.00	2,925.00
10/01/08		SRF					5,850.00		90,000.00	5,850.00	95,850.00
04/01/09							2,475.00	(4)	0.00	2,475.00	2,475.00
04/01/08	06	1993A				565,000.00	17,850.00	(4)	0.00	17,850.00	17,850.00
10/01/08		SRF					35,700.00		565,000.00	35,700.00	600,700.00
04/01/09							15,025.00	(4)	0.00	15,025.00	15,025.00
04/01/08	07	1993B				490,000.00	17,250.00	(4)	0.00	17,250.00	17,250.00
10/01/08		SRF					34,500.00		490,000.00	34,500.00	524,500.00
04/01/09							14,800.00	(4)	0.00	14,800.00	14,800.00
04/01/08	09	1994A				615,000.00	21,375.00	(4)	0.00	21,375.00	21,375.00
10/01/08		SRF					42,750.00		615,000.00	42,750.00	657,750.00
04/01/09							18,300.00	(4)	0.00	18,300.00	18,300.00
04/01/08	10	1994B				212,500.00	14,950.00	(4)	212,500.00	14,950.00	227,450.00
10/01/08		SRF					25,650.00		0.00	25,650.00	25,650.00
04/01/09							12,825.00	(4)	215,000.00	12,825.00	227,825.00
04/01/08	11	1995A				110,792.24	10,874.79	(4)	110,792.24	10,874.79	121,667.03
10/01/08		SRF					19,256.76		0.00	19,256.76	19,256.76
04/01/09							9,628.38	(4)	115,716.34	9,628.38	125,344.72
04/01/08	12	1995B				180,000.00	9,815.63	(4)	0.00	9,815.63	9,815.63
10/01/08		SRF					19,631.25		180,000.00	19,631.25	199,631.25
04/01/09							8,803.13	(4)	0.00	8,803.13	8,803.13
									\$4,715,662.08		\$9,057,900.72
									\$4,342,238.64		\$8,713,423.38

(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) PRORATED FOR APPLICABLE THREE (3) MONTH PERIOD IN CALENDAR YEAR 2008

**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	REPLACE MIDDLEBORO LIFT STATION	\$ 2,000,000
2	REPLACE REEDS LAKE LIFT STATION & FORCEMAIN	1,500,000
3	INDIAN MILL CREEK SEWER *	5,253,000
4	SADDLEBACK SEWER	19,971,000
5	SILVER CREEK TRUNK IMPROVEMENTS	5,750,000
6	REPLACE KINGSBURY LIFT STATION	550,000
		<u><u>\$ 35,024,000</u></u>

** ESTIMATED FINAL PHASE OF PROJECT*

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

SOURCE: BLACK & VEATCH AND CHUCK SCHROEDER, HYDRAULIC ENGINEER JANUARY 2008.

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

BONDS - PRINCIPAL & INTEREST PAYMENTS

FISCAL YEAR ENDING JUNE 30,	CASH BASIS			ACCRUAL BASIS		
	PRINCIPAL	INTEREST	PRIN & INT	PRINCIPAL	INTEREST	PRIN & INT
2008	758,142.00	920,271.44	1,678,413.44	758,142.00	899,896.37	1,658,038.37
2009	798,346.50	879,521.30	1,677,867.80	798,346.50	858,065.74	1,656,412.24
2010	842,380.00	836,610.18	1,678,990.18	842,380.00	813,971.22	1,656,351.22
2011	890,242.50	791,332.26	1,681,574.76	890,242.50	767,406.99	1,657,649.49
2012	938,105.00	743,481.72	1,681,586.72	938,105.00	718,270.15	1,656,375.15
2013	991,711.00	693,058.58	1,684,769.58	991,711.00	666,406.34	1,658,117.34
2014	1,047,231.50	639,754.10	1,686,985.60	1,047,231.50	611,609.76	1,658,841.26
2015	1,102,752.00	583,465.42	1,686,217.42	1,102,752.00	553,828.96	1,656,580.96
2016	1,162,101.50	524,192.50	1,686,294.00	1,162,101.50	492,961.02	1,655,062.52
2017	1,223,365.50	461,729.54	1,685,095.04	1,223,365.50	428,086.99	1,651,452.49
2018	1,292,287.50	394,444.44	1,686,731.94	1,292,287.50	358,906.53	1,651,194.03
2019	1,365,038.50	323,368.62	1,688,407.12	1,365,038.50	285,830.06	1,650,868.56
2020	1,439,704.00	248,291.50	1,687,995.50	1,439,704.00	208,699.64	1,648,403.64
2021	1,497,139.00	169,107.78	1,666,246.78	1,497,139.00	127,936.46	1,625,075.46
2022	1,577,548.00	86,765.14	1,664,313.14	1,577,548.00	43,382.57	1,620,930.57

**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 DEBT OUTSTANDING FROM THE TOTAL RATE BASE.

CONSTRUCTION COST RATE BASE - TASK NO. 15	\$ 132,390,956
LESS: BONDED INDEBTEDNESS (ACCRUAL) - TASK NO. 17 / 20	(85,799,513) *
 NET SEWER SYSTEM EQUITY	 \$ 46,591,443

* INCLUDES 2004/2005 BOND PROCEEDS FOR FOLLOWING:

2004 BONDS

PRIMARY TANK REPAIRS	1,246,577
JAMES AVE.- LOGAN/WEALTHY	178,573
CIPP LINING- FRANKLIN ST RESERVOIR	439,961
MAPS IMPROVEMENTS (#10)	3,738,503
INDIAN MILL CRK (#10)	772,280
REMEMBRANCE LS (#10)	120,627

2005 BONDS

MAPS IMPROVEMENTS (#10)	4,234,384
INDIAN MILL CRK- No. 1 (#10)	3,943,971
FULLER- FOUNTAIN/MICH & EVANGELINE	1,268,302
INDIAN MILL CRK- No. 2 (#10)	2,390,051
FRANKLINS TRANS WM- No.3	3,152,072
SHELDON- LOGAN/WEALTHY	1,359,938
PRIMARY TANK REPAIRS	57,906
ALPINE AVE BRIDGE SM	26,306
CHERRY- HOLLISTER/WARREN	105,590
WWTP- AERATION IMPROVEMENT	62,302
DIVISION- ALGER/QUIGLEY	123,606
REMEMBRANCE LS (#10)	1,017,573
WWTP- SLUDGE PUMPS	557,770
28TH STREET FM (#10)	1,440,000
WWTP- C&D PRIMARY CLARIFIER TANKS	1,017,015
WWTP- STANDBY GENERATOR BLD	267,421
FRANKLINS TRANS WM- No.4	533,361
WWTP- PLC COMMUNICATION SYSTEM	420,262
FRANKLINS TRANS WM- No.5	945,696
TALLMAN CREEK SM	5,796,053
ICON ON BOND	386,805
FRANKLINS TRANS WM- No.2	590,408
CHERRY- JEFFERSON/PROSPECT	705,105

\$ 36,898,418

**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>
12-Oct-06	4.330%	12-Apr-07	4.290%
19-Oct-06	4.330%	19-Apr-07	4.240%
26-Oct-06	4.300%	26-Apr-07	4.260%
02-Nov-06	4.180%	03-May-07	4.250%
09-Nov-06	4.190%	10-May-07	4.240%
16-Nov-06	4.170%	17-May-07	4.290%
21-Nov-06	4.140%	24-May-07	4.380%
30-Nov-06	4.040%	31-May-07	4.410%
07-Dec-06	4.030%	07-Jun-07	4.540%
14-Dec-06	4.120%	14-Jun-07	4.640%
21-Dec-06	4.120%	21-Jun-07	4.630%
28-Dec-06	4.170%	28-Jun-07	4.600%
04-Jan-07	4.150%	05-Jul-07	4.610%
11-Jan-07	4.210%	12-Jul-07	4.600%
18-Jan-07	4.250%	19-Jul-07	4.550%
25-Jan-07	4.320%	26-Jul-07	4.470%
01-Feb-07	4.310%	02-Aug-07	4.510%
08-Feb-07	4.210%	09-Aug-07	4.590%
15-Feb-07	4.170%	16-Aug-07	4.740%
22-Feb-07	4.190%	23-Aug-07	4.810%
01-Mar-07	4.100%	30-Aug-07	4.700%
08-Mar-07	4.080%	06-Sep-07	4.570%
15-Mar-07	4.130%	13-Sep-07	4.460%
22-Mar-07	4.200%	20-Sep-07	4.510%
29-Mar-07	4.250%	27-Sep-07	4.480%
04-Apr-07	4.260%	04-Oct-07	4.420%
		<u>52 WEEKS</u>	<u>4.341%</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWER RATE STUDY
SEWAGE DISPOSAL 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
SEWER SYSTEM EQUITY IN THE CONSTRUCTION COST RATE (CCR) BASE	\$ 46,591,443	@	5.341%	=	\$ 2,488,449
SEWER SYSTEM INDEBTEDNESS IN THE CONSTRUCTION COST RATE BASE					
1998 ISSUE (REFIN. AMT. OF 1990 ISSUE)	16,926,095	@	5.060%	=	856,460
1998 ISSUE	31,975,000	@	5.060%	=	1,617,935
2004 ISSUE	6,496,521	@	4.970%	=	322,877
2005 ISSUE	30,401,897	@	4.900%	=	1,489,693
LESS INTEREST ON BOND RESERVE AND REPLACEMENT ACCOUNTS					(129,423)
	\$ 132,390,956				\$ 6,645,991
COMPOSITE RATE OF RETURN ON INVESTMENT			\$ 6,645,991	=	5.020%
			132,390,956		

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, 2007

PHYSICAL LOCATION

DESCRIPTION	RETAIL											WHOLESALE				TOTAL
	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER ALGOMA				
COST	\$ 143,704,999	\$ 96,954,342	\$ 33,134,949	\$ 22,411,673	\$ 17,889,686	\$ 15,419,141	\$ 4,168,243	\$ 118,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335,801,173		
LESS: ACCUMULATED DEPRECIATION	\$ 82,199,003	\$ 32,573,214	\$ 9,331,240	\$ 8,114,525	\$ 5,029,974	\$ 4,232,974	\$ 472,827	\$ 22,031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,975,291		
NET BOOK VALUE	\$ 61,505,996	\$ 66,381,128	\$ 23,803,609	\$ 14,297,148	\$ 12,860,219	\$ 11,186,167	\$ 3,695,416	\$ 96,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,825,882		
WORKING CAPITAL REQUIREMENT	\$ 4,266,212	\$ 1,981,636	\$ 411,969	\$ 280,070	\$ 189,863	\$ 254,350	\$ 27,445	\$ 29,169	\$ 33,968	\$ 13,947	\$ 5,024	\$ -	\$ 150	\$ 7,498,327		
CONTRIBUTIONS	\$ 65,772,208	\$ 66,382,764	\$ 24,214,978	\$ 14,577,216	\$ 13,050,882	\$ 11,440,517	\$ 3,722,861	\$ 125,368	\$ 5,324	\$ 33,968	\$ 5,024	\$ -	\$ 150	\$ 201,324,009		
LESS AMORTIZATION	\$ 47,596,435	\$ 52,280,524	\$ 22,608,041	\$ 22,248,092	\$ 16,059,117	\$ 13,371,810	\$ 3,816,327	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (97,480,080)		
CONSTRUCTION COST RATE BASE	\$ (11,699,266)	\$ (35,897,169)	\$ (36,640,719)	\$ (8,128,036)	\$ (4,943,956)	\$ (3,971,274)	\$ (438,794)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (80,491,266)		
RETURN ON INVESTMENT- TASK 20	\$ 54,072,942	\$ 32,722,659	\$ 15,139,909	\$ (14,128,056)	\$ (11,106,161)	\$ (9,400,536)	\$ (3,377,533)	\$ 125,368	\$ 5,324	\$ 33,968	\$ 5,024	\$ -	\$ 150	\$ 120,833,143		
RETURN ON INVESTMENT- TASK 20	\$ 2,714,462	\$ 2,646,693	\$ 455,568	\$ 22,548	\$ 97,585	\$ 102,407	\$ 17,335	\$ 6,293	\$ 267	\$ 1,705	\$ 252	\$ 8	\$ -	\$ 6,065,823		

ZONEGATED

COST	\$ -	\$ (3,087,664)	\$ 5,904,459	\$ 1,675,774	\$ 1,424,831	\$ 1,516,769	\$ 578,781	\$ 1,121,349	\$ 256,162	\$ 5,048,462	\$ 653,006	\$ 891,649	\$ 22,454	\$ 16,006,042
LESS: ACCUMULATED DEPRECIATION	\$ -	\$ (596,050)	\$ 1,168,490	\$ 934,433	\$ 828,335	\$ 705,588	\$ 7,659	\$ 105,627	\$ 221,904	\$ 1,073,573	\$ 417,314	\$ 342,568	\$ 5,096	\$ 5,214,537
NET BOOK VALUE	\$ -	\$ (2,491,614)	\$ 4,735,969	\$ 741,341	\$ 596,496	\$ 811,181	\$ 571,132	\$ 1,015,722	\$ 34,258	\$ 3,974,889	\$ 235,692	\$ 549,081	\$ 17,358	\$ 10,791,505
WORKING CAPITAL REQUIREMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONTRIBUTIONS	\$ -	\$ (2,491,614)	\$ 4,735,969	\$ 741,341	\$ 596,496	\$ 811,181	\$ 571,132	\$ 1,015,722	\$ 34,258	\$ 3,974,889	\$ 235,692	\$ 549,081	\$ 17,358	\$ 10,791,505
LESS AMORTIZATION	\$ -	\$ -	\$ (8,855)	\$ (596,362)	\$ (151,276)	\$ (49,102)	\$ (104)	\$ (164)	\$ (11,291)	\$ (278,541)	\$ (82,695)	\$ (278,541)	\$ (57)	\$ (1,178,547)
CONSTRUCTION COST RATE BASE	\$ -	\$ (2,491,614)	\$ 4,735,969	\$ (17,666)	\$ (192,533)	\$ (60,474)	\$ (104)	\$ 1,015,722	\$ 34,258	\$ 3,974,889	\$ 130,445	\$ 26,818	\$ 17,358	\$ 9,151,981
RETURN ON INVESTMENT- TASK 19/21	\$ -	\$ (257,658)	\$ 469,747	\$ (1,827)	\$ 41,774	\$ 77,631	\$ 59,061	\$ 105,036	\$ 3,543	\$ 199,539	\$ 13,489	\$ 1,346	\$ 1,795	\$ 733,476
RETURN ON INVESTMENT- TASK 19/21	\$ 2,714,462	\$ 2,389,035	\$ 945,315	\$ 20,721	\$ 139,359	\$ 180,038	\$ 76,396	\$ 111,329	\$ 3,810	\$ 201,244	\$ 14,189	\$ 1,598	\$ 1,803	\$ 6,799,299
TOTAL RETURN ON INVESTMENT	\$ 2,714,462	\$ 2,389,035	\$ 945,315	\$ 20,721	\$ 139,359	\$ 180,038	\$ 76,396	\$ 111,329	\$ 3,810	\$ 201,244	\$ 14,189	\$ 1,598	\$ 1,803	\$ 6,799,299

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
CONSTRUCTION COST & ACCUMULATED DEPRECIATION- TASK NO. 21- PART2
FISCAL YEAR ENDED JUNE 30, 2007

CONSTRUCTION COST

COST CENTER	AMOUNT	RETAIL										WHOLESALE				TOTAL
		CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEUER-ALGOMA				
INTEGRATED SYSTEM	\$ 141,442,531	\$ 259,819,780	\$ 25,742,962	\$ 24,751,223	\$ 16,449,696	\$ 5,274,219	\$ 196,346	-	-	-	-	-	-	-	\$ 468,226,182	
ADD. IN SERVICE- TASK 10	2,252,468	9,114,334	8,753,602	-	1,440,000	-	(78,116)	-	-	-	-	-	-	-	21,570,404	
MARINE CONNECTOR AGREEMENT	-	(211,573)	-	-	-	-	-	-	-	-	-	-	-	-	(805,000)	
TASK 11/16/21- CSO FA AMT	(158,194,371)	-	-	-	-	-	(515,311)	-	-	-	-	-	-	-	(158,194,371)	
LIFT STATIONS / CHAMBERS:																
FULLER-BROOKVIEW	\$ 1,252,893	(390,276)	-	-	390,276	-	-	-	-	-	-	-	-	-	-	
FULTON- MIDDLEBORROW	37,983	(37,439)	-	-	37,439	-	-	-	-	-	-	-	-	-	-	
WEALTHY ST. EXT. CHAMBER	458,953	(95,128)	91,433	-	-	4,685	-	-	-	-	-	-	-	-	-	
MARKET	20,444	(12,663)	11,898	-	-	16	-	470	-	-	-	-	-	-	-	
VANPORTFLET	9,963,068	(3,106,086)	1,246,878	-	223,472	14,646	-	1,589,906	-	-	-	-	-	8,070	-	
REMEMBRANCE / 3 MILE	44,816	6,033	(6,033)	-	-	-	-	-	-	-	-	-	-	-	-	
16th AVENUE	1,139,200	-	(385,153)	-	-	-	8,157	-	-	-	-	-	-	-	-	
HAYES- WEST	71,058	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
HAYES- EAST	141,105	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
O'BRIEN	215,841	-	(46,953)	-	-	-	-	-	-	-	-	-	-	-	-	
KINGSBURY	546,522	21,140	-	-	-	-	-	-	-	-	-	-	-	-	-	
LEONARD HEIGHTS	140,182	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
THORNAPPLE	66,629	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
THORNHILLS	224,216	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ROBINHOOD	70,490	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CASCADE SPRINGS	178,389	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SHOREHAVEN	65,478	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EAGLE CREST	98,778	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
KRAFT	72,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BIRD AVE-ALPINE ESTATES	96,639	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EAST PARIS	323,478	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SERVICEMAINS																
ADJUSTED BY ZONEGATING		(11,046,073)	3,630,674	(693,776)	1,424,831	725,298	75,904	816,524	256,162	3,221,417	653,006	891,649	14,384	-	-	
ZONEGATING ADJUSTMENT		\$ 95,866,678	\$ 9,039,308	\$ 24,087,447	\$ 19,314,527	\$ 16,555,910	\$ 4,747,024	\$ 1,239,579	\$ 256,162	\$ 5,048,462	\$ 653,006	\$ 891,649	\$ 22,454	\$ 351,807,215		
PHYSICAL LOCATION		\$ (3,087,664)	\$ 5,904,459	\$ 1,675,774	\$ 1,424,831	\$ 1,516,769	\$ 578,791	\$ 1,121,349	\$ 256,162	\$ 5,048,462	\$ 653,006	\$ 891,649	\$ 22,454	\$ 16,006,042		
		\$ 98,354,342	\$ 33,134,849	\$ 22,411,673	\$ 17,889,696	\$ 15,419,141	\$ 4,188,243	\$ 118,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335,801,173		
BY PHYSICAL LOCATION-TASK 11		\$ 61,207,189	\$ 9,509,154	\$ 9,366,710	\$ 5,029,477	\$ 4,333,979	\$ 506,009	\$ 22,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,173,539		
ADD. IN SERVICE- TASK 10		55,886	(52,777)	-	-	-	14,072	13	-	-	-	-	-	55,886		
MARINE CONNECTOR AGREEMENT		(25,000,905)	-	-	-	-	-	-	-	-	-	-	-	(25,000,905)		
LIFT STATIONS / CHAMBERS:																
FULLER-BROOKVIEW	\$ 326,541	(101,718)	-	-	101,718	-	-	-	-	-	-	-	-	-	-	
FULTON- MIDDLEBORROW	35,158	(35,640)	-	-	35,640	-	-	-	-	-	-	-	-	-	-	
WEALTHY ST. EXT. CHAMBER	56,604	(11,856)	11,277	-	579	-	-	-	-	-	-	-	-	-	-	
MARKET	20,444	(12,663)	11,898	-	-	16	-	470	-	-	-	-	-	-	-	
VANPORTFLET	1,875,481	(984,689)	234,716	-	42,067	2,757	-	299,289	-	-	-	-	-	1,519	-	
REMEMBRANCE / 3 MILE	44,816	6,033	(6,033)	-	-	-	-	-	-	-	-	-	-	-	-	
16th AVENUE	18,259	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
HAYES- WEST	28,207	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
HAYES- EAST	19,794	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
O'BRIEN	141,005	5,454	(12,114)	-	-	-	-	-	-	-	-	-	-	-	-	
KINGSBURY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
LEONARD HEIGHTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
THORNAPPLE	31,472	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
THORNHILLS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ROBINHOOD	5,947	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CASCADE SPRINGS	17,461	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SHOREHAVEN	2,420	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EAGLE CREST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
KRAFT	2,420	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BIRD AVE-ALPINE ESTATES	9,684	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EAST PARIS	32,348	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SERVICEMAINS																
ADJUSTED BY ZONEGATING		(3,497,140)	750,832	(317,752)	828,335	425,158	(21,400)	72,790	221,904	773,814	417,314	342,568	3,577	-	-	
ZONEGATING ADJUSTMENT		\$ 31,977,164	\$ 10,469,730	\$ 9,048,958	\$ 5,857,812	\$ 4,938,592	\$ 480,468	\$ 127,688	\$ 221,904	\$ 1,073,573	\$ 417,314	\$ 342,568	\$ 5,096	\$ 147,189,828		
PHYSICAL LOCATION		\$ (696,050)	\$ 1,188,490	\$ 934,433	\$ 828,335	\$ 705,588	\$ 7,659	\$ 105,627	\$ 221,904	\$ 1,073,573	\$ 417,314	\$ 342,568	\$ 5,096	\$ 5,214,337		
		\$ 32,575,214	\$ 9,331,240	\$ 8,114,225	\$ 5,029,477	\$ 4,232,974	\$ 472,827	\$ 22,031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,975,291		

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
CONTRIBUTIONS & AMORTIZED CONTRIBUTIONS. TASK NO. 21- PART3
FISCAL YEAR ENDED JUNE 30, 2007**

CONTRIBUTIONS BY OTHERS

COST CENTER	AMOUNT	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	MEIJER-ALGOMA			
2006 RATE STUDY (LOCATION)	\$ 51,570,290	\$ 47,596,435	\$ 51,570,290	\$ 22,419,656	\$ 21,881,143	\$ 15,985,079	\$ 13,170,634	\$ 3,758,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,281,763
ADDITIONS:																	
CONNECTION & FRONT FOOT FEES			128,758	19,883	34,927	7,000	27,808	-	-	-	-	-	-	-	-	-	218,376
FIXED ASSET CONTRIBUTIONS			581,476	168,502	332,022	158,038	173,368	57,801	-	-	-	-	-	-	-	-	1,471,207
PLASTER CREEK INTERCEPTOR GRANT	\$ 2,244,621		-	-	1,355,369	343,809	107,989	-	-	-	187,942	63,343	-	-	-	-	-
INTERCEPTOR	1,314,819		-	-	-	-	-	-	-	-	-	737,561	-	-	-	-	-
LIFT STATION	70,753		-	8,855	-	-	1,587	104	-	11,291	-	-	-	-	-	-	57
ADJUSTED BY ZONEGATING		\$ 47,596,435	\$ 52,280,524	\$ 22,616,896	\$ 23,603,461	\$ 16,993,926	\$ 13,481,386	\$ 3,816,431	\$ 164	\$ 11,291	\$ 187,942	\$ 800,904	\$ 57	\$ -	\$ -	\$ -	\$ 177,971,346
ZONEGATING ADJUSTMENT				\$ 8,855	\$ 1,355,369	\$ 343,809	\$ 109,376	\$ 104	\$ 164	\$ 11,291	\$ 187,942	\$ 800,904	\$ 57	\$ -	\$ -	\$ -	\$ -
PHYSICAL LOCATION		\$ 47,596,435	\$ 52,280,524	\$ 22,608,041	\$ 22,248,092	\$ 16,050,117	\$ 13,371,810	\$ 3,816,327	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,971,346
AMORTIZED CONTRIBUTIONS																	
2006 RATE STUDY (LOCATION)		\$ 34,813,398	\$ 35,800,924	\$ 7,050,688	\$ 7,680,490	\$ 4,624,534	\$ 3,709,037	\$ 363,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,842,071
CURRENT YEAR ADJUSTMENT		1,083,771	1,039,785	417,444	439,546	319,422	262,237	75,794	-	-	-	-	-	-	-	-	3,638,009
PLASTER CREEK INTERCEPTOR GRANT	\$ 987,633		-	-	586,362	151,276	47,515	-	-	-	82,695	27,871	-	-	-	-	-
INTERCEPTOR	447,038		-	-	-	-	-	-	-	-	-	250,770	-	-	-	-	-
LIFT STATION	70,753		-	8,855	-	-	1,587	104	-	11,291	-	-	-	-	-	-	57
ADJUSTED BY ZONEGATING		\$ 35,897,169	\$ 36,640,719	\$ 7,476,987	\$ 8,716,398	\$ 5,095,232	\$ 4,020,376	\$ 438,898	\$ 164	\$ 11,291	\$ 82,695	\$ 278,641	\$ 57	\$ -	\$ -	\$ -	\$ 97,480,080
ZONEGATING ADJUSTMENT				\$ 8,855	\$ 586,362	\$ 151,276	\$ 49,102	\$ 104	\$ 164	\$ 11,291	\$ 82,695	\$ 278,641	\$ 57	\$ -	\$ -	\$ -	\$ -
PHYSICAL LOCATION		\$ 35,897,169	\$ 36,640,719	\$ 7,468,132	\$ 8,120,036	\$ 4,943,956	\$ 3,971,274	\$ 438,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,480,080

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
RECONCILIATION OF CONSTRUCTION COST & ACCUMULATED DEPRECIATION- PHYSICAL LOCATION & ZONEGATING
FISCAL YEAR ENDED JUNE 30, 2007**

COST CENTER	AMOUNT	CITY OF GRAND RAPIDS				WHOLESALE				TOTAL			
		CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	RETAIL CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR		N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP
CONSTRUCTION COST-BY PHYSICAL LOCATION:													
BY PHYSICAL LOCATION- TASK 11													
IN SERVICE- TASK 10	\$ 141,442,531	\$ 262,248,615	\$ 24,944,803	\$ 24,751,223	\$ 16,016,920	\$ 14,789,529	\$ 4,917,273	\$ 125,288	\$ -	\$ -	\$ -	\$ -	\$ 489,236,182
MARINE CONNECTOR AGREEMENT	2,262,468	9,114,334	8,763,602	-	1,440,000	-	-	-	-	-	-	-	21,570,404
TASK 11/16/21- CSO COST		(211,573)	-	-	-	-	(515,311)	(78,116)	-	-	-	-	(805,000)
O'BRIEN		(158,194,371)	-	-	-	-	-	-	-	-	-	-	(158,194,371)
VANPORTFLET		(546,532)	546,532	-	-	-	-	71,058	-	-	-	-	-
REMEMBRANCE / 3 MILE		(44,816)	44,816	-	-	-	-	-	-	-	-	-	-
16th AVENUE		(71,058)	-	-	-	-	-	-	-	-	-	-	-
HAYES- WEST		(141,105)	-	-	-	-	-	141,105	-	-	-	-	-
HAYES- EAST		(215,841)	-	-	-	-	-	215,841	-	-	-	-	-
KINGSBURY		(140,182)	140,182	-	-	-	-	-	-	-	-	-	-
LEONARD HEIGHTS		(66,629)	66,629	-	-	-	-	-	-	-	-	-	-
THORNAPPLE		(224,216)	-	-	224,216	-	-	-	-	-	-	-	-
THORNHILLS		(70,480)	-	-	70,480	-	-	-	-	-	-	-	-
ROBINHOOD		(178,398)	-	-	-	178,398	-	-	-	-	-	-	-
CASCADE SPRINGS		(65,478)	-	-	65,478	-	-	-	-	-	-	-	-
SHOREHAVEN		(72,602)	-	-	-	72,602	-	-	-	-	-	-	-
EAGLECREST		(98,778)	-	-	-	98,778	-	-	-	-	-	-	-
KRAFT		(72,602)	-	-	72,602	-	-	-	-	-	-	-	-
BIRD AVE-ALPINE ESTATES		(96,639)	-	-	-	96,639	-	-	-	-	-	-	-
EAST PARIS		(323,478)	-	-	-	323,478	-	-	-	-	-	-	-
SERVICE MAINS													
LESS: SERVICE MAINS- TOTAL SUBS- PHY. LOC.		(17,761,902)	(9,769,504)	(4,323,453)	(92,355)	(140,457)	(580,665)	-	-	-	-	-	(32,676,336)
ADD: SERVICE MAINS- TOTAL ADDS- PHY. LOC.		6,188,073	8,407,769	1,983,903	92,355	173	-	-	-	-	-	-	16,672,293
TOTAL - PHYSICAL LOCATION COST		\$ 143,704,999	\$ 33,334,849	\$ 22,411,673	\$ 17,889,696	\$ 15,419,141	\$ 4,188,243	\$ 118,230	\$ -	\$ -	\$ -	\$ -	\$ 335,801,172
CONSTRUCTION COST- ZONEGATING:													
LIFT STATIONS / CHAMBERS:													
FULLER-BROOKVIEW	\$ 1,252,893	(390,276)	-	-	-	390,276	-	-	-	-	-	-	-
FULTON- MIDDLEBORROW	37,983	(37,439)	-	-	-	37,439	-	-	-	-	-	-	-
WEALTHY ST EXT. CHAMBER	458,953	(96,126)	91,433	-	-	-	4,695	-	-	-	-	-	-
WEALTHY	20,444	(12,663)	11,898	-	-	-	16	279	470	-	-	-	-
MARKET	9,963,068	(3,106,086)	1,246,878	-	-	223,472	14,646	23,114	1,589,906	-	-	8,070	-
VANPORTFLET	44,816	6,033	(6,033)	-	-	-	-	-	-	-	-	-	-
REMEMBRANCE / 3 MILE	1,139,200	-	(385,153)	-	-	-	8,157	140,327	236,669	-	-	-	-
16th AVENUE	71,058	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- WEST	141,105	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- EAST	215,841	-	-	-	-	-	-	-	-	-	-	-	-
O'BRIEN	546,532	21,140	(46,953)	-	-	-	(141,105)	141,105	-	-	-	-	-
KINGSBURY	140,182	-	-	-	-	-	-	-	-	-	-	-	-
LEONARD HEIGHTS	66,629	-	-	-	-	-	-	-	-	-	-	-	-
THORNAPPLE	224,216	-	-	-	-	-	-	-	-	-	-	-	-
THORNHILLS	70,480	-	-	-	-	-	-	-	-	-	-	-	-
ROBINHOOD	178,398	-	-	-	-	-	-	-	-	-	-	-	-
CASCADE SPRINGS	65,478	-	-	-	-	-	-	-	-	-	-	-	-
SHOREHAVEN	72,602	-	-	-	-	-	-	-	-	-	-	-	-
EAGLECREST	98,778	-	-	-	-	-	-	-	-	-	-	-	-
KRAFT	72,602	-	-	-	-	-	-	-	-	-	-	-	-
BIRD AVE-ALPINE ESTATES	96,639	-	-	-	-	-	-	-	-	-	-	-	-
EAST PARIS	323,478	-	-	-	-	-	-	-	-	-	-	-	-
SERVICE MAINS- ZONEGATED COST		\$ 527,755	\$ 4,982,389	\$ 1,675,774	\$ 1,424,831	\$ 865,882	\$ 666,569	\$ 816,524	\$ 256,162	\$ 3,221,417	\$ 653,006	\$ 891,649	\$ 14,384
TOTAL - ZONEGATED COST		\$ (3,087,664)	\$ 5,904,459	\$ 1,675,774	\$ 1,424,831	\$ 1,516,769	\$ 578,791	\$ 1,121,349	\$ 256,162	\$ 5,048,462	\$ 653,006	\$ 891,649	\$ 22,454
GRAND TOTAL - COST		\$ 143,704,999	\$ 39,339,308	\$ 24,087,447	\$ 19,314,527	\$ 16,935,910	\$ 4,747,034	\$ 1,239,579	\$ 256,162	\$ 5,048,462	\$ 653,006	\$ 891,649	\$ 22,454

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
RECONCILIATION OF CONSTRUCTION COST & ACCUMULATED DEPRECIATION- PHYSICAL LOCATION & ZONEGATING
FISCAL YEAR ENDED JUNE 30, 2007

COST CENTER	AMOUNT	PHYSICAL LOCATION:										TOTAL				
		INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	RETAIL	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR		N. KENT AREA	WHOLESALE	ADA TOWNSHIP	GAINES TOWNSHIP
BY PHYSICAL LOCATION- TASK 11		\$ 82,199,003	\$ 61,560,982	\$ 9,323,333	\$ 9,366,710	\$ 4,978,124	\$ 4,283,600	\$ 458,018	\$ 3,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,173,539
IN SERVICE- TASK 10			55,886	-	-	-	-	-	-	-	-	-	-	-	-	55,886
MARINE CONNECTOR AGREEMENT			(52,777)	-	-	-	-	-	-	-	-	-	-	-	-	(52,777)
TASK 11/18/21- CSO ACC. DEPRECIATION			(25,000,905)	141,005	-	-	-	14,072	13	-	-	-	-	-	-	(25,000,905)
O'BRIEN			(44,816)	44,816	-	-	-	-	-	-	-	-	-	-	-	-
VANPORTLIET			-	-	-	-	-	-	-	-	-	-	-	-	-	-
REMEMBRANCE /3 MILE			-	-	-	-	-	-	-	-	-	-	-	-	-	-
16th AVENUE			(18,259)	-	-	-	-	-	-	-	-	-	-	-	-	(18,259)
HAYES- WEST			(28,207)	-	-	-	-	-	-	-	-	-	-	-	-	(28,207)
HAYES- EAST			(19,784)	-	-	-	-	-	-	-	-	-	-	-	-	(19,784)
KINGSBURY			-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEONARD HEIGHTS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
THORNAPPLE			(31,472)	-	-	-	-	-	-	-	-	-	-	-	-	(31,472)
THORNHILLS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
ROBINHOOD			(5,947)	-	-	-	-	-	-	-	-	-	-	-	-	(5,947)
CASCADE SPRINGS			(17,461)	-	-	-	-	-	-	-	-	-	-	-	-	(17,461)
SHOREHAVEN			(2,420)	-	-	-	-	-	-	-	-	-	-	-	-	(2,420)
EAGLECREST			-	-	-	-	-	-	-	-	-	-	-	-	-	-
KRAFT			(2,420)	-	-	-	-	-	-	-	-	-	-	-	-	(2,420)
BIRD AVE-ALPINE ESTATES			(9,664)	-	-	-	-	-	-	-	-	-	-	-	-	(9,664)
EAST PARIS			(32,348)	-	-	-	-	-	-	-	-	-	-	-	-	(32,348)
SERVICE MAINS			(7,108,872)	(938,964)	(2,331,833)	(64,649)	(101,129)	(47,253)	-	-	-	-	-	-	-	(10,590,700)
LESS- SERVICE MAINS- TOTAL SUBS- PHY. LOC.			3,472,691	759,050	1,079,648	64,649	124	-	-	-	-	-	-	-	-	5,376,162
ADD- SERVICE MAINS- TOTAL ADDS- PHY. LOC.			\$ 32,573,212	\$ 9,331,240	\$ 8,114,525	\$ 5,029,477	\$ 4,232,974	\$ 472,828	\$ 22,031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,975,590
ACCUMULATED DEPRECIATION- ZONEGATED																
LIFT STATIONS / CHAMBERS:																
FULLER-BROOKVIEW	\$		(101,718)	-	-	-	-	-	-	-	-	-	-	-	-	(101,718)
FULTON- MIDDLEBORROW			(35,640)	-	-	-	-	-	-	-	-	-	-	-	-	(35,640)
WEALTHY ST EXT. CHAMBER			(11,856)	11,277	-	-	-	579	-	-	-	-	-	-	-	(11,856)
MARKET			(12,663)	11,898	-	-	-	16	279	470	-	-	-	-	-	(12,663)
VANPORTLIET			(584,699)	234,716	-	-	-	2,757	4,351	296,289	-	-	-	-	-	(584,699)
REMEMBRANCE /3 MILE			6,033	(6,033)	-	-	-	-	-	-	-	-	-	-	-	-
16th AVENUE			-	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- WEST			-	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- EAST			-	-	-	-	-	-	-	-	-	-	-	-	-	-
O'BRIEN			5,454	(12,114)	-	-	-	-	-	-	-	-	-	-	-	(6,660)
KINGSBURY			-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEONARD HEIGHTS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
THORNAPPLE			31,472	-	-	-	-	-	-	-	-	-	-	-	-	31,472
THORNHILLS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
ROBINHOOD			5,947	-	-	-	-	-	-	-	-	-	-	-	-	5,947
CASCADE SPRINGS			17,461	-	-	-	-	-	-	-	-	-	-	-	-	17,461
SHOREHAVEN			2,420	-	-	-	-	-	-	-	-	-	-	-	-	2,420
EAGLECREST			-	-	-	-	-	-	-	-	-	-	-	-	-	-
KRAFT			2,420	-	-	-	-	-	-	-	-	-	-	-	-	2,420
BIRD AVE-ALPINE ESTATES			9,664	-	-	-	-	-	-	-	-	-	-	-	-	9,664
EAST PARIS			32,348	-	-	-	-	-	-	-	-	-	-	-	-	32,348
SERVICE MAINS- ZONEGATED ACC. DEPRECIATION			199,039	928,746	934,433	828,335	526,163	25,854	72,790	773,814	342,568	417,314	342,568	3,577	5,214,537	
TOTAL- ZONEGATED ACC. DEPRECIATION			\$ (596,050)	\$ 1,168,490	\$ 934,433	\$ 828,335	\$ 705,588	\$ 7,659	\$ 105,627	\$ 1,073,573	\$ 342,568	\$ 417,314	\$ 342,568	\$ 5,086	\$ 5,214,537	
GRAND TOTAL- ACC. DEPRECIATION			\$ 82,199,003	\$ 31,977,162	\$ 10,499,730	\$ 9,048,858	\$ 4,938,562	\$ 480,487	\$ 127,658	\$ 1,073,573	\$ 342,568	\$ 417,314	\$ 342,568	\$ 5,086	\$ 147,169,827	

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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, 2007**

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	MEIJER-ALGOMA						
WASTEWATER TREATMENT	\$ 12,445,175	\$ 12,445,175																		
LIFT STATIONS:																				
A. INTERCEPTOR	311,698		214,524	39,009	-	-	-	6,991	-	458	723	-	-	49,741	-	-	-	-	-	252
B. TRUNK	150,435		37,246	65,384	-	-	23,971	21,902	-	1,932	-	-	-	-	-	-	-	-	-	-
C. LOCAL COLLECTOR	483,488		75,589	73,320	-	-	87,440	163,643	-	22,913	28,493	-	-	17,068	15,022	-	-	-	-	-
SEWER LINES:																				
A. INTERCEPTOR	288,368		211,434	24,041	50,283	-	2,610	-	-	-	-	-	-	-	-	-	-	-	-	-
B. TRUNK	696,834		223,029	190,814	168,836	-	60,032	34,208	-	19,093	822	-	-	-	-	-	-	-	-	-
C. LOCAL COLLECTOR	5,151,598		3,251,224	639,932	500,014	-	297,968	383,176	-	48,374	30,910	-	-	32,969	-	-	-	-	-	-
D. ZONEGATING			(173,772)	21,498	(27,062)	-	47,873	41,967	-	(12,981)	19,781	-	-	4,367	25,207	11,333	-	-	137	-
BULK METERING STATIONS	18,055		-	-	3,785	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUSTOMER ACCOUNTING *	2,808,841		2,235,893	207,152	162,660	-	62,216	127,887	-	4,269	8,764	-	-	-	-	-	-	-	-	-
INDUSTRIAL PRETREATMENT	633,966																			
SUBTOTAL OPERATING EXPENSE	22,988,458		6,075,167	1,261,150	858,516		582,110	779,774		84,058	89,493			104,145	42,682	15,446			389	
ADMINISTRATIVE EXPENSE	1,993,602		526,850	109,369	74,452		50,482	67,623		7,290	7,761			9,032	3,702	1,340			34	
TOTAL	\$ 24,982,060		\$ 6,602,017	\$ 1,370,519	\$ 932,968		\$ 632,592	\$ 847,397		\$ 91,348	\$ 97,254			\$ 113,177	\$ 46,384	\$ 16,786			\$ 423	

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

METHOD OF DISTRIBUTION

WASTEWATER TREATMENT	100.0000%	100.00%	
LIFT STATIONS:			
A. INTERCEPTORS (53)	100.0000%		
B. TRUNK (1)	100.0000%		
C. LOCAL (44)	100.0000%		
SEWER LINES:			
TOTAL MILES: 893.47			
A. INTERCEPTOR MILES 41.98			
B. TRUNK LINES 101.45			
C. LOCAL COLLECTOR MILES 750.04			
D. ZONEGATING MILES (6)			
BULK METERING STATIONS			
CUSTOMER ACCTG (1)	100.0000%		
NO. OF METERS 73,465.00			
INDUSTRIAL PRETREATMENT	100.0000%	100.00%	
ADMINISTRATIVE EXPENSE (2)	100.0000%	56.894%	

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	\$ 24,292,010	74.9474%	\$ 187,722
CITY OF WALKER	2,441,580	7.5329%	18,868
CITY OF KENTWOOD	2,489,690	7.6814%	19,240
CASCADE TOWNSHIP	1,383,576	4.2687%	10,692
GRAND RAPIDS TOWNSHIP	1,462,459	4.5121%	11,302
TALLMADGE TOWNSHIP	132,357	0.4084%	1,023
WRIGHT TOWNSHIP	210,398	0.6491%	1,626
	<u>\$ 32,412,070</u>	<u>100.0000%</u>	<u>\$ 250,473</u>

* INCLUDES AMOUNT OF UNDERUTILIZED PENALTY CREDIT FROM PREVIOUS YEAR

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ASSIGN DEPRECIATION EXPENSE TO CUSTOMER COMMUNITIES- TASK NO. 24
FISCAL YEAR ENDED JUNE 30, 2007

COST CENTER	DEPRECIATION EXPENSE	RETAIL										WHOLESALE					TOTAL
		INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER-ALGOMA		
BY PHYSICAL LOCATION- TASK 11		\$ 3,220,986	\$ 4,650,960	\$ 515,680	\$ 491,704	\$ 333,184	\$ 299,902	\$ 97,767	\$ 2,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,612,689		
ADD: IN SERVICE- TASK 10		108,017	182,286	211,106	-	28,800	-	(10,307)	(1,563)	-	-	-	-	-	530,209		
MARINE CONNECTOR AGREEMENT			(12,959)												(24,829)		
LESS: TASK 11/16/21- CSO DEP. EXP.			(2,817,507)												(2,817,507)		
LIFT STATIONS / CHAMBERS:																	
FULLER-BROOKVIEW	\$ 46,649		(14,531)				14,531										
FULTON- MIDDLEBORROW	183		(180)				180										
WEALTHY ST EXT. CHAMBER	11,321		(2,371)	2,255				116									
WEALTHY MARKET	398,301		(124,175)	49,847			8,934	586	924	63,361				323			
VANPORTFLEET								421	7,245	12,219							
REMEMBRANCE / 3 MILE	58,818			(19,885)													
O'BRIEN	15,667		606	(1,346)				740									
KINGSBURY	4,673																
LEONARD HEIGHTS	2,221																
THORNAPPLE	7,474																
THORNHILLS	2,349																
ROBINHOOD	5,947																
CASCADE SPRINGS	2,183																
SHOREHAVEN	2,420																
EAGLECREST	3,293																
KRAFT	2,420																
16TH AVE	4,565		(4,565)														
HAYES- WEST	7,052		(7,052)														
HAYES- EAST	9,893		(9,893)					9,893									
BIRD AVE-ALPINE ESTATES	3,221		(3,221)				3,221										
EAST PARIS	10,783		(10,783)				10,783										
SERVICEMAINS			(202,422)	62,354	(15,574)	27,912	13,221	1,496	16,136	62,119	12,741	17,725	277				
ADJUSTED BY ZONEGATING		3,325,003	1,624,193	820,011	476,130	389,896	350,772	100,712	36,865	137,899	12,741	17,725	600				
LESS CONTRIBUTIONS AMORTIZED																	
TASK NO. 21		(1,083,771)	(1,039,795)	(417,444)	(424,795)	(319,422)	(262,237)	(75,794)				(14,751)					
TOTAL		\$ 2,245,232	\$ 584,398	\$ 402,567	\$ 51,335	\$ 70,474	\$ 88,535	\$ 24,918	\$ 36,865	\$ 137,899	\$ 12,741	\$ 2,974	\$ 600	\$ 3,662,953			

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ACCUMULATE REVENUE REQUIREMENTS BY CUSTOMER COMMUNITIES- TASK NO. 25
FISCAL YEAR ENDED JUNE 30, 2007**

COST CENTER	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	MEIJER-ALGOMA	TOTAL		
OPERATION & MAINTENANCE EXPENSE- TASK NO. 22	\$ 14,213,387	\$ 6,602,017	\$ 1,370,519	\$ 932,968	\$ 632,592	\$ 847,397	\$ 91,348	\$ 97,254	\$ 17,808	\$ 113,177	\$ 46,384	\$ 16,786	\$ 423	\$ 24,982,060		
DEPRECIATION EXPENSE TASK NO. 24	2,245,232	584,398	402,567	51,335	70,474	88,535	24,918	36,865	4,015	137,899	12,741	2,974	600	3,662,553		
RETURN ON SYSTEM INVESTMENT TASK NO. 21	2,714,462	2,389,035	945,315	20,721	139,359	180,038	76,396	111,329	3,810	201,244	14,189	1,598	1,803	6,799,299		
REVENUE CREDITS- TASK NO. 23		(187,722)	(18,868)	(19,240)	(10,692)	(11,302)	(1,023)	(1,626)						(250,473)		
CSO DEBT SERVICE REQUIREMENTS ALLOCATE:	9,057,901													9,057,901		
INTEGRATED CONN. FEE CREDIT		(655,274)	(95,223)	(128,231)	(59,949)	(44,109)	(3,631)	(2,834)	(38,161)		(30,452)		(755)	(1,058,619)		
INTEGRATED SYSTEM (A)	(19,173,081)	10,827,757	1,573,470	2,118,884	990,607	728,861	59,988	46,836	630,570	1,568,128	503,189	112,316	12,475	-		
LESS: CIRCUIT BREAKER (B)			(369,737)	(16,069)	(24,449)		(25,635)	(14,106)						(449,896)		
	\$ -	\$ 28,618,112	\$ 3,808,043	\$ 2,960,368	\$ 1,737,942	\$ 1,789,420	\$ 222,461	\$ 273,718	\$ 618,042	\$ 2,020,448	\$ 546,051	\$ 133,674	\$ 14,546	\$ 42,742,825		

(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.

COST CENTER	RETAIL					WHOLESALE					TOTAL		
	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP		GAINES TOWNSHIP	MEIJER-ALGOMA
OLD METHOD- PLANT FLOW	\$ 10,827,757	\$ 1,573,470	\$ 2,118,884	\$ 990,607	\$ 728,861	\$ 59,988	\$ 46,836	\$ 630,570	\$ 1,568,128	\$ 503,189	\$ 112,316	\$ 12,475	\$ 1,680,444
NEW METHOD- PLANT FLOW / LAND	\$ 10,827,757	\$ 1,573,470	\$ 2,118,884	\$ 990,607	\$ 728,861	\$ 59,988	\$ 46,836	\$ 630,570	\$ 1,568,128	\$ 503,189	\$ 112,316	\$ 12,475	\$ 17,492,637
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 10,827,757	\$ 1,573,470	\$ 2,118,884	\$ 990,607	\$ 728,861	\$ 59,988	\$ 46,836	\$ 630,570	\$ 1,568,128	\$ 503,189	\$ 112,316	\$ 12,475	\$ 19,173,081

**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 6/30/07</u>	<u>PRO FORMA *</u>
REVENUES:		
RETAIL/WHOLESALE SEWAGE SERVICE	\$ 35,495,547	\$ 39,143,896
CONNECTION FEES/FRONT FOOT FEES	1,276,995	1,276,995
ENGINEERING FEES	130,617	130,617
SEWAGE SURCHARGES	948,578	948,578
OTHER OPERATING REVENUES	108,999	108,999
INTEREST ON INVESTMENTS	1,233,311	1,233,311
MISCELLANEOUS	666,204	(83,796)
TOTAL REVENUES	<u><u>\$ 39,860,251</u></u>	<u><u>\$ 42,758,600</u></u>
OPERATING EXPENSES:		
OPERATIONS & MAINTENANCE	\$ 24,870,151	\$ 24,474,180
DEPRECIATION	9,612,689	9,612,689
TOTAL EXPENSES	<u><u>\$ 34,482,840</u></u>	<u><u>\$ 34,086,869</u></u>
ADDITIONS: DEPRECIATION	<u>9,612,689</u>	<u>9,612,689</u>
NET EARNINGS OF THE SYSTEM	<u><u>\$ 14,990,100</u></u>	<u><u>\$ 18,284,420</u></u>
DEBT SERVICE (CASH BASIS)		
SERIES 2005 BONDS	\$ 2,950,044	\$ 2,947,719
SERIES 2004 BONDS	1,994,900	1,991,400
SERIES 1998 BONDS	5,901,488	5,902,238
TOTAL SENIOR DEBT SERVICE	<u>10,846,432</u>	<u>10,841,357</u>
SRF DEBT (JUNIOR LIEN)	3,953,984	3,900,459
	<u><u>\$ 14,800,416</u></u>	<u><u>\$ 14,741,816</u></u>
COVERAGE RATIO - SENIOR DEBT	<u>1.38</u>	<u>1.69</u>
COVERAGE RATIO - ALL DEBT	<u><u>1.01</u></u>	<u><u>1.24</u></u>

* SEWAGE SERVICES ADJUSTED FOR RATE REVISIONS OF 4.94% AND 15.73% EFFECTIVE 1/1/07 AND 1/1/08, RESPECTIVELY.

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

INITIAL SYSTEM REVENUE REQUIREMENTS		\$ 43,192,721
CURRENT REVENUES		
REU CHARGE	\$ 209,479	
MONTHLY METER CHARGE	7,265,360	
MONTHLY BILLING CHARGE	3,511,556	
COMMODITY CHARGE	<u>25,946,438</u>	<u>(36,932,833)</u>
INITIAL REQUIRED REVENUE INCREASE (DECREASE)		<u>\$ 6,259,888</u>
INITIAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>16.95%</u>
INITIAL SYSTEM REVENUE REQUIREMENTS FROM ABOVE		\$ 43,192,721
LESS: AMOUNT OF CIRCUIT BREAKER RELIEF TO REDUCE RR's TO RETAIL		(449,896)
SYSTEM REVENUE REQUIREMENTS		<u>\$ 42,742,825</u>
ACTUAL REQUIRED AMOUNT OF REVENUE INCREASE (DECREASE)		<u>\$ 5,809,992</u>
ACTUAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>15.73%</u>

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

METER SIZE	EQUIV. FACTOR	CITY OF GR METERS * EQUIV.	CITY OF WALKER METERS * EQUIV.	CITY OF KENTWOOD METERS * EQUIV.	CASCADE TWP METERS * EQUIV.	GR TWP METERS * EQUIV.	TALLMADGE TWP METERS * EQUIV.	WRIGHT TWP USERS* REU
A 3/4" or less	1.0000	54,341	4,836	3,272	1,202	3,013	93	-
B 1"	1.7778	2,316	347	469	215	226	12	-
C 1 1/4"	2.7778	-	-	-	-	-	-	-
D 1 1/2"	4.0000	880	132	300	140	64	2	-
E 2"	7.1111	775	87	179	62	34	3	-
F 3"	16.0000	71	6	18	6	5	1	-
G 4"	28.4444	79	6	13	2	3	-	-
H 6" and over	64.0000	18	4	3	-	-	1	-
Other- Wright Twp		N/A	N/A	N/A	N/A	N/A	N/A	229
TOTAL		58,480	5,418	4,254	1,627	3,345	112	229
		72,024	7,123	7,429	2,738	4,078	223	357.937

* Source: Grand Rapids Water/Sewage Meter/User Quantity Report, October 22, 2007.

CITY OF GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS \$ 28,618,112

CURRENT REVENUES

MONTHLY METER CHARGE

72,024 meter equivalents x \$ 5.41 x 12 = \$ 4,675,798

MONTHLY BILLING CHARGE

58,480 meters x \$ 3.38 x 12 = 2,371,949

COMMODITY CHARGE

7,715,048 units (100 CF) x \$ 2.37 = 18,284,664 (25,332,411)

REQUIRED REVENUE INCREASE (DECREASE) \$ 3,285,701

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 12.97%

CITY OF GRAND RAPIDS, MICHIGAN

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

COMMODITY CHARGE:

$$\frac{\text{INTEGRATED SYSTEM COST}}{\text{BILLED UNITS}} = \frac{\$19,885,658}{7,715,048} = \underline{\underline{\$ 2.58 /100 CF *}}$$

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 28,618,112
NEW COMMODITY CHARGE		
7,715,048 x \$ 2.58		\$ 19,904,824
NEW MONTHLY BILLING CHARGE		
58,480 x \$ 3.19 x 12	2,238,614	(22,143,438)
		<u>\$ 6,474,674</u>

$$\text{MONTHLY METER CHARGE} = \frac{\$6,474,674}{72,024 \times 12} = \underline{\underline{\$ 7.49 \text{ MONTHLY}}}$$

<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	\$ 7.49	\$ 3.19	\$ 10.68	\$ 8.79
1"	1.7778	13.32	3.19	16.51	13.00
1 1/4"	2.7778	20.81	3.19	24.00	18.41
1 1/2"	4.0000	29.96	3.19	33.15	25.02
2"	7.1111	53.26	3.19	56.45	41.85
3"	16.0000	119.84	3.19	123.03	89.94
4"	28.4444	213.05	3.19	216.24	157.26
6" and over	64.0000	479.36	3.19	482.55	349.62

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

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

SYSTEM REVENUE REQUIREMENTS * \$ 3,808,043

CURRENT REVENUES

MONTHLY METER CHARGE

7,123 meter equivalents x \$ 12.50 x 12 = \$ 1,068,450

MONTHLY BILLING CHARGE

5,418 meters x \$ 3.38 x 12 = 219,754

COMMODITY CHARGE

952,480 units (100 CF) x \$ 1.39 = 1,323,947 (2,612,151)

REQUIRED REVENUE INCREASE (DECREASE) \$ 1,195,892

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 45.78%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 369,737

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.03 /100 CF *
 \$ 1.39 x 145.78%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS ** \$ 3,808,043

NEW COMMODITY CHARGE \$ 1,933,534
 952,480 x \$ 2.03

NEW MONTHLY BILLING CHARGE (2,140,935)
 5,418 x \$ 3.19 x 12 207,401

\$ 1,667,108

MONTHLY METER CHARGE = $\frac{\$1,667,108}{7,123 \times 12} = \underline{\underline{\$ 19.50 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 19.50	\$ 3.19	\$ 22.69	\$ 15.88
1"	1.7778	34.67	3.19	37.86	25.60
1 1/4"	2.7778	54.17	3.19	57.36	38.10
1 1/2"	4.0000	78.00	3.19	81.19	53.38
2"	7.1111	138.67	3.19	141.86	92.27
3"	16.0000	312.00	3.19	315.19	203.38
4"	28.4444	554.67	3.19	557.86	358.94
6" and over	64.0000	1,248.00	3.19	1,251.19	803.38

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 369,737

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

SYSTEM REVENUE REQUIREMENTS * \$ 2,960,368

CURRENT REVENUES

MONTHLY METER CHARGE

7,429 meter equivalents x \$ 1.55 x 12 = \$ 138,179

MONTHLY BILLING CHARGE

4,254 meters x \$ 3.38 x 12 = 172,542

COMMODITY CHARGE

1,442,501 units (100 CF) x \$ 1.52 = 2,192,602 (2,503,323)

REQUIRED REVENUE INCREASE (DECREASE) \$ 457,045

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 18.26%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 16,069

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

SYSTEM REVENUE REQUIREMENTS *	\$ 1,737,942
LESS: CASH CONTRIBUTION	-
SYSTEM REVENUE REQUIREMENTS	\$ 1,737,942

CURRENT REVENUES

MONTHLY METER CHARGE			
2,738 meter equivalents	x	\$ 17.86	x 12 = \$ 586,808
MONTHLY BILLING CHARGE			
1,627 meters	x	\$ 3.38	x 12 = 65,991
COMMODITY CHARGE			
465,102 units (100 CF)	x	\$ 1.70	= <u>790,673</u>
			<u>(1,443,472)</u>
REQUIRED REVENUE INCREASE (DECREASE)			<u>\$ 294,470</u>

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES	20.40%
--	--------

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 24,449

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.05 /100 CF *
 \$ 1.70 x 120.40%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS ** \$ 1,737,942

NEW COMMODITY CHARGE
 465,102 x \$ 2.05 \$ 953,459

NEW MONTHLY BILLING CHARGE
 1,627 x \$ 3.19 x 12 62,282 (1,015,741)
\$ 722,201

MONTHLY METER CHARGE = $\frac{\$722,201}{2,738 \times 12} = \underline{\underline{\$ 21.98 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 21.98	\$ 3.19	\$ 25.17	\$ 21.24
1"	1.7778	39.08	3.19	42.27	35.13
1 1/4"	2.7778	61.06	3.19	64.25	52.99
1 1/2"	4.0000	87.92	3.19	91.11	74.82
2"	7.1111	156.30	3.19	159.49	130.38
3"	16.0000	351.68	3.19	354.87	289.14
4"	28.4444	625.21	3.19	628.40	511.40
6" and over	64.0000	1,406.72	3.19	1,409.91	1,146.42

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 24,449

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

SYSTEM REVENUE REQUIREMENTS \$ 1,789,420

CURRENT REVENUES

MONTHLY METER CHARGE

4,078 meter equivalents x \$ 15.35 x 12 = \$ 751,168

MONTHLY BILLING CHARGE

3,345 meters x \$ 3.38 x 12 = 135,673

COMMODITY CHARGE

410,440 units (100 CF) x \$ 1.58 = 648,495 (1,535,336)

REQUIRED REVENUE INCREASE (DECREASE) \$ 254,084

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 16.55%

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.84 /100 CF *
 \$ 1.58 x 116.55%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 1,789,420
NEW COMMODITY CHARGE		
410,440 x \$ 1.84		\$ 755,210
NEW MONTHLY BILLING CHARGE		
3,345 x \$ 3.19 x 12	128,047	(883,257)
		<u>\$ 906,163</u>

MONTHLY METER CHARGE = $\frac{\$906,163}{4,078 \times 12} = \underline{\underline{\$ 18.52 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 18.52	\$ 3.19	\$ 21.71	\$ 18.73
1"	1.7778	32.92	3.19	36.11	30.67
1 1/4"	2.7778	51.44	3.19	54.63	46.02
1 1/2"	4.0000	74.08	3.19	77.27	64.78
2"	7.1111	131.70	3.19	134.89	112.54
3"	16.0000	296.32	3.19	299.51	248.98
4"	28.4444	526.79	3.19	529.98	440.00
6" and over	64.0000	1,185.28	3.19	1,188.47	985.78

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

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

SYSTEM REVENUE REQUIREMENTS *		\$	222,461
LESS: CASH CONTRIBUTION			(30,000)
SYSTEM REVENUE REQUIREMENTS			192,461

CURRENT REVENUES

MONTHLY METER CHARGE			
223 meter equivalents	x	\$ 16.80	x 12 = \$ 44,957
MONTHLY BILLING CHARGE			
112 meters	x	\$ 3.38	x 12 = 4,543
COMMODITY CHARGE			
15,675 units (100 CF)	x	\$ 6.14	= <u>96,245</u> <u>(145,745)</u>
REQUIRED REVENUE INCREASE (DECREASE)			\$ 46,716
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			32.05%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 25,535

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 8.11 /100 CF *
 \$ 6.14 x 132.05%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 192,461
NET OF CONTRIBUTION OF \$ 30,000		
NEW COMMODITY CHARGE		
15,675 x \$ 8.11	\$ 127,124	
NEW MONTHLY BILLING CHARGE		
112 x \$ 3.19 x 12	<u>4,287</u>	<u>(131,411)</u>
		<u>\$ 61,050</u>

MONTHLY METER CHARGE = $\frac{\$61,050}{223 \times 12} = \underline{\underline{\$ 22.81 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 22.81	\$ 3.19	\$ 26.00	\$ 20.18
1"	1.7778	40.55	3.19	43.74	33.25
1 1/4"	2.7778	63.36	3.19	66.55	50.05
1 1/2"	4.0000	91.24	3.19	94.43	70.58
2"	7.1111	162.20	3.19	165.39	122.85
3"	16.0000	364.96	3.19	368.15	272.18
4"	28.4444	648.82	3.19	652.01	481.25
6" and over	64.0000	1,459.84	3.19	1,463.03	1,078.58

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 25,535

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

SYSTEM REVENUE REQUIREMENTS *	\$ 273,718
LESS: CASH CONTRIBUTION	(50,000)
SYSTEM REVENUE REQUIREMENTS	\$ 223,718

CURRENT REVENUES

REU CHARGE	
357.937 meter equivalents	x \$ 48.77 x 12 = \$ 209,479
MONTHLY METER CHARGE	
357.937 meter equivalents	x \$ - x 12 = -
MONTHLY BILLING CHARGE	
229 meters	x \$ - x 12 = -
COMMODITY CHARGE	
24,748 units (100 CF)	x \$ - = <u> </u> - <u> </u> (209,479)
REQUIRED REVENUE INCREASE (DECREASE)	\$ 14,239
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES	6.80%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 14,106

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

MONTHLY REU CHARGE:

$$\frac{\text{SYSTEM REVENUE REQUIREMENTS **}}{\text{TOTAL REU'S * 12 MONTHS}} = \frac{\$223,718}{357.937 \times 12} = \$ \underline{\underline{52.09}} \quad \text{MONTHLY REU CHARGE *}$$

SYSTEM REVENUE REQUIREMENTS ARE NET OF CONTRIBUTION O \$ 50,000

EXAMPLES OF APPROXIMATE MONTHLY CHARGE BY NUMBER OF REU:

<u>NUMBER OF REU</u>	<u>AMOUNT</u>	<u>NUMBER OF REU</u>	<u>AMOUNT</u>	<u>NUMBER OF REU</u>	<u>AMOUNT</u>
1.0000	\$ 52.09	7.5000	\$ 390.68	19.0000	\$ 989.71
1.5000	78.14	8.0000	416.72	20.0000	1,041.80
2.0000	104.18	8.5000	442.77	25.0000	1,302.25
2.5000	130.23	9.0000	468.81	30.0000	1,562.70
3.0000	156.27	9.5000	494.86	35.0000	1,823.15
3.5000	182.32	10.0000	520.90	40.0000	2,083.60
4.0000	208.36	11.0000	572.99	50.0000	2,604.50
4.4000	229.20	12.0000	625.08	60.0000	3,125.40
4.5000	234.41	13.0000	677.17	70.0000	3,646.30
5.0000	260.45	14.0000	729.26	80.0000	4,167.20
5.5000	286.50	15.0000	781.35	90.0000	4,688.10
6.0000	312.54	16.0000	833.44	100.0000	5,209.00
6.5000	338.59	17.0000	885.53	150.0000	7,813.50
7.0000	364.63	18.0000	937.62	200.0000	10,418.00

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 14,106

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$	592,409
COMMODITY CHARGE			
470.257 units	x	\$	1,108.00
			521,045
			<hr/>
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)		\$	<u>71,364</u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$	25,633
MONTHLY SERVICE CHARGE			
\$1,802	x		12 MONTHS
			21,624
			<hr/>
REQUIRED SERVICE REVENUE INCREASE (DECREASE)		\$	<u>4,009</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>13.89%</u>

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS	\$ 618,042
NEW COMMODITY CHARGE *	
470.257 x \$ 1,260.00 =	(592,524)
	<hr/>
	<u>\$ 25,518</u>

MONTHLY SERVICE CHARGE * = \$ 25,518 / 12 = \$2,127

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$ 1,568,128
--	--------------

COMMODITY CHARGE	
1,487.393 units x \$ 1,047.00	1,557,300

REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	<u>\$ 10,828</u>
--	------------------

NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$ 452,320
--	------------

MONTHLY SERVICE CHARGE	
\$36,374 x 12 MONTHS	436,488

REQUIRED SERVICE REVENUE INCREASE (DECREASE)	<u>\$ 15,832</u>
--	------------------

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES	<u>1.34%</u>
--	--------------

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

SYSTEM REVENUE REQUIREMENTS	\$ 2,020,448
NEW COMMODITY CHARGE *	
1,487.393 x \$ 1,054.00 =	(1,567,712)
	\$ 452,736

MONTHLY SERVICE CHARGE * = \$452,736 / 12 = \$37,728

* NEW RATES EFFECTIVE ON JANUARY 1, 2008 THROUGH OCTOBER 31, 2008



RATES EFFECTIVE NOVEMBER 1, 2008 **:

COMMODITY CHARGE:	\$ 1,622.00
MONTHLY SERVICE CHARGE:	\$ 55,338.00

** *The current contract with Kent Co. to provide service to the North Kent communities expires on November 1, 2008. These rates will apply only if the City of Grand Rapids approves continued service to that area after that date.*

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	472,737
COMMODITY CHARGE		
316.064 units x \$ 1,295.00		409,303
		409,303
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	\$	63,434
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	73,314
MONTHLY SERVICE CHARGE		
\$5,288 x 12 MONTHS		63,456
		63,456
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	\$	9,858
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		15.50%

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

SYSTEM REVENUE REQUIREMENTS	\$ 546,051
NEW COMMODITY CHARGE *	
316.064 x \$ 1,496.00 =	(472,832)
	<hr/>
	<u>\$ 73,219</u>

MONTHLY SERVICE CHARGE * = \$ 73,219 / 12 = \$6,102

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	112,316
COMMODITY CHARGE		
106.535 units x \$ 1,047.00		111,542
		111,542
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	\$	774
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	21,358
MONTHLY SERVICE CHARGE		
\$1,423 x 12 MONTHS		17,076
		17,076
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	\$	4,282
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		3.93%

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

SYSTEM REVENUE REQUIREMENTS	\$ 133,674
NEW COMMODITY CHARGE *	
106.535 x \$ 1,054.00 =	(112,288)
	<hr/>
	<u>\$ 21,386</u>

MONTHLY SERVICE CHARGE * = \$ 21,386 / 12 = \$1,782

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$ 11,720
COMMODITY CHARGE		
7.528 units	x	\$ 1,411.00
		10,622
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)		\$ 1,098
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$ 2,826
MONTHLY SERVICE CHARGE		
\$205	x	12 MONTHS
		2,460
REQUIRED SERVICE REVENUE INCREASE (DECREASE)		\$ 366
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		11.19%

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

SYSTEM REVENUE REQUIREMENTS	\$	14,546
NEW COMMODITY CHARGE *		
7.528 x \$ 1,557.00 =		(11,721)
		\$ 2,825

MONTHLY SERVICE CHARGE * = \$ 2,825 / 12 = \$235

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

CALCULATION OF INCREMENTAL COMMODITY CHARGE TO MEIJER-ALGOMA FROM CITY

COMMODITY CHARGE- ABOVE	\$	1,557
LESS: COMMODITY CHARGE- NORTH KENT		(1,054)
INCREMENTAL COMMODITY CHARGE (CREDIT)		\$ 503

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: August 27, 2007

TO: Mike Wolski
Financial Analyst

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

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

Enclosed are the Front Foot Rates for Sanitary Sewer (Task 28) and the costs for Sanitary Sewer Laterals (Task 29), for the Fiscal Year 2007.

RDV/dv

Enclosures

cc: Jack Stegehuis
Mark Garvey
Paul Pratt

RECEIVED

AUG 28 2007

**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>2007</u>	<u>2008</u>
Domestic Sewer User	\$ 52.00	\$ 53.00
Commercial-Industrial User (Sewer over 8 in. diameter)	\$ 105.00	\$ 84.00

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, 2006 through June, 2007. 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>2007</u>	<u>2008</u>
50 ft.	\$ 1,560	\$ 1,850
60 ft.	\$ 1,840	\$ 2,200
66 ft.	\$ 2,010	\$ 2,350
80 ft.	\$ 2,410	\$ 2,800
100 ft.	\$ 3,000	\$ 3,500

MEMORANDUM

CITY OF GRAND RAPIDS

Date: October 10, 2007

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

From: Randall Fisher, Acting Director of Environmental Services

Subject: Sewer Rate Study – Task #30 - Surcharges

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

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

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

Description	Rate Study Year 2007	Wastewater Surcharges						
		Volume	BOD	TSS	Phos	NH3	Industrial	Other
Operation & Maintenance (See Part 2)	\$ 24,982,060	\$ 4,078,886	\$ 3,859,365	\$ 3,503,690	\$ 558,120	\$ 445,114	\$ 633,966	\$ 11,902,919
Depreciation (See Part 3)	3,662,553	735,852	696,269	632,100	100,699	80,312	-	1,417,321
Return on System Investment (See Part 3)	6,799,299	889,638	841,782	764,202	121,744	97,096	-	4,084,837
Total	\$ 35,443,912	\$ 5,704,376	\$ 5,397,416	\$ 4,899,992	\$ 780,563	\$ 622,522	\$ 633,966	\$ 17,405,077

Recommended Surcharge Rate - 2008 **\$ 0.217** **\$ 0.227** **\$ 1.114** **\$ 0.247**

Actual Surcharge Rate - 2007	\$ 0.210	\$ 0.214	\$ 0.917	\$ 0.233
Change in Surcharge Rate - Amount- 2007 to 2008	\$ 0.007	\$ 0.013	\$ 0.197	\$ 0.014
Change in Surcharge Rate - Percent- 2007 to 2008	3.33%	6.07%	21.48%	6.01%

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-	Calendar Year-	See Task 30 - Part 4								
	2007	2008	Allocation Basis	Line No. Ref.	Volume	BOD	TSS	Phos	NH3	Industrial	Other
Wastewater Treatment Plant											
Pre-Treatment	\$ 1,060,094	\$ 1,130,700	WWTP	(1)	\$ 1,130,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Treatment	1,452,916	1,549,685	WWTP	(2)	-	464,905	929,811	-	154,969	-	-
Secondary Treatment	4,207,935	4,488,197	WWTP	(3)	1,122,049	2,244,099	897,639	-	224,410	-	-
Disinfection/Dechlorination	942,316	1,005,077	WWTP	(4)	1,005,077	-	-	-	-	-	-
Phosphorus Removal	923,277	984,770	WWTP	(5)	492,385	-	-	492,385	-	-	-
Residue Handling/Disposal	3,081,507	3,286,746	WWTP	(6)	328,675	1,150,361	1,676,240	65,735	65,735	-	-
	\$ 11,668,045	\$ 12,445,175			\$ 4,078,886	\$ 3,859,365	\$ 3,503,690	\$ 558,120	\$ 445,114	\$ -	\$ -
Lift Stations											
Interceptor		311,698	Collection	(11)	-	-	-	-	-	-	311,698
Trunk		150,435	Collection	(11)	-	-	-	-	-	-	150,435
Local Collector		483,488	Collection	(11)	-	-	-	-	-	-	483,488
Sewer Lines											
Interceptor		288,368	Collection	(11)	-	-	-	-	-	-	288,368
Trunk		696,834	Collection	(11)	-	-	-	-	-	-	696,834
Local Collector		5,151,598	Collection	(11)	-	-	-	-	-	-	5,151,598
Bulk Meter Stations		18,055	Collection	(7)	-	-	-	-	-	-	18,055
Customer Accounting		2,808,841	Admin	(8)	-	-	-	-	-	-	2,808,841
Industrial Pretreatment		633,966	Industry	(9)	-	-	-	-	-	633,966	-
Subtotal	\$ 22,988,458	\$ 24,982,060			\$ 4,078,886	\$ 3,859,365	\$ 3,503,690	\$ 558,120	\$ 445,114	\$ 633,966	\$ 9,909,317
Admin		1,993,602	Admin	(10)	-	-	-	-	-	-	1,993,602
Total	\$ 24,982,060	\$ 26,975,662			\$ 4,078,886	\$ 3,859,365	\$ 3,503,690	\$ 558,120	\$ 445,114	\$ 633,966	\$ 11,902,919
WWTP Allocation Factors		100.000%			32.774%	31.011%	28.153%	4.485%	3.577%	0.000%	0.000%

(1) Based on September 24, 2007 update from R Fisher regarding 2007 WWTP Surcharge Rate Evaluation.

(2) Primary Allocation of Current Year for Calendar 2008, based on 2007 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)	\$ 2,245,232	\$ 735,852	\$ 696,269	\$ 632,100	\$ 100,699	\$ 80,312	\$ -	\$ -	
Other	1,417,321	-	-	-	-	-	-	1,417,321	
Total	\$ 3,662,553	\$ 735,852	\$ 696,269	\$ 632,100	\$ 100,699	\$ 80,312	\$ -	\$ 1,417,321	

Return on System Investment- Task 21

Description	Amount	Volume	Wastewater Surcharges					Industrial	Other
			BOD	TSS	Phos	NH3			
Integrated System (1)	\$ 2,714,462	\$ 889,638	\$ 841,782	\$ 764,202	\$ 121,744	\$ 97,096	\$ -	\$ -	
Other	4,084,837	-	-	-	-	-	-	4,084,837	
Total	\$ 6,799,299	\$ 889,638	\$ 841,782	\$ 764,202	\$ 121,744	\$ 97,096	\$ -	\$ 4,084,837	

(1) Allocated on WWTP Allocation Factors *

32.7740% 31.0110% 28.1530% 4.4850% 3.5770%

* 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%	0.000%	100.000%	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%

(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 2007 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 2008 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, Michigan
Industrial Pretreatment Program
Service Costs

Last Update: 9/14/2007

Permit Fee: \$ 300.00

IPP Costs:

Labor: \$ 53.72 per hour
 Vehicle: \$ 3.00 per hour
 Sampler: \$ 35.00 per day

IPP Accounting:

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

Laboratory Costs:

metals	\$9.90	ea.
TSS	\$6.00	ea.
BOD	\$12.00	ea.
total phosphate	\$11.00	ea.
pH	\$5.00	ea.
EPA 624	\$100.00	ea.
EPA 625	\$229.00	ea.
BTEX/MTBE	\$36.00	ea.
sulfide	\$15.00	ea.
oil & grease	\$25.00	ea.
total cyanide	\$19.00	ea.
hex chrome	\$16.00	ea.
fecal coliform	\$40.00	ea.

Explanation of Costs

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

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

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

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

Permit No: Example 1

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

Permit Fee: \$ 300.00
Analytical Fee: \$ 812.00
Amount Due: \$ 1,112.00

Composite Samples: 4

IPP Requirements: man hours = 6.0 x \$ 53.72 = \$ 322.00
sampler days = 4.0 x \$ 35.00 = \$ 140.00
vehicle hours = 6.0 x \$ 3.00 = \$ 18.00

Total IPP Composite Costs: \$ 480.00

Laboratory Analysis: (each composite)
metals 6 x \$ 9.90 = \$ 59.00
TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH x \$ 5.00 = \$ -
EPA 625 x \$ 229.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 40.00 = \$ -
other x = \$ -

total per composite: \$ 59.00

Total Laboratory Composite Costs: \$ 236.00

Total Composite Sample Costs: \$ 716.00

Grab Samples: 4

IPP Requirements: man hours = 0.0 x \$ 53.72 = \$ -
vehicle hours = 0.0 x \$ 3.00 = \$ -

Total IPP Grab Costs: \$ -

Laboratory Analysis: (each grab)
metals x \$ 9.90 = \$ -
TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH 1 x \$ 5.00 = \$ 5.00
EPA 624 x \$ 100.00 = \$ -
EPA 625 x \$ 229.00 = \$ -
BTEX/MTBE x \$ 36.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
total cyanide 1 x \$ 19.00 = \$ 19.00
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 40.00 = \$ -
other x = \$ -

total per grab: \$ 24.00

Total Laboratory Grab Costs: \$ 96.00

Total Grab Sample Costs: \$ 96.00

Total Analytical Permit Costs: \$ 812.00

Permit No: Example 2

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

Permit Fee: \$ 300.00
Analytical Fee: \$ 62.00
Amount Due: \$ 362.00

Composite Samples:

IPP Requirements: man hours = 0.0 x \$ 53.72 = \$ -
sampler days = 0.0 x \$ 35.00 = \$ -
vehicle hours = 0.0 x \$ 3.00 = \$ -

Total IPP Composite Costs: \$ -

Laboratory Analysis:
(each composite)

metals x \$ 9.90 = \$ -
TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH x \$ 5.00 = \$ -
EPA 625 x \$ 229.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 40.00 = \$ -
other x = \$ -

total per composite: \$ -

Total Laboratory Composite Costs: \$ -

Total Composite Sample Costs: \$ -

Grab Samples: 1

IPP Requirements: man hours = 1.0 x \$ 53.72 = \$ 54.00
vehicle hours = 1.0 x \$ 3.00 = \$ 3.00

Total IPP Grab Costs: \$ 57.00

Laboratory Analysis:
(each grab)

metals x \$ 9.90 = \$ -
TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH 1 x \$ 5.00 = \$ 5.00
EPA 624 x \$ 100.00 = \$ -
EPA 625 x \$ 229.00 = \$ -
BTEX/MTBE x \$ 36.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
total cyanide x \$ 19.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 40.00 = \$ -
other x = \$ -

total per grab: \$ 5.00

Total Laboratory Grab Costs: \$ 5.00

Total Grab Sample Costs: \$ 62.00

Total Analytical Permit Costs: \$ 62.00

Permit No: Example 3

Company: Stripping process

Facility Address:
City, State, Zip

Permit Fee: \$ 300.00
Analytical Fee: \$ 112.00
Amount Due: \$ 412.00

Composite Samples:

IPP Requirements: man hours = 0.0 x \$ 53.72 = \$ -
sampler days = 0.0 x \$ 35.00 = \$ -
vehicle hours = 0.0 x \$ 3.00 = \$ -

Total IPP Composite Costs: \$ -

Laboratory Analysis: (each composite)
metals x \$ 9.90 = \$ -
TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH x \$ 5.00 = \$ -
EPA 625 x \$ 229.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 40.00 = \$ -
other x = \$ -

total per composite: \$ -

Total Laboratory Composite Costs: \$ -

Total Composite Sample Costs: \$ -

Grab Samples: 1

IPP Requirements: man hours = 1.0 x \$ 53.72 = \$ 54.00
vehicle hours = 1.0 x \$ 3.00 = \$ 3.00

Total IPP Grab Costs: \$ 57.00

Laboratory Analysis: (each grab)
metals 5 x \$ 9.90 = \$ 50.00
TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH 1 x \$ 5.00 = \$ 5.00
EPA 624 x \$ 100.00 = \$ -
EPA 625 x \$ 229.00 = \$ -
BTEX/MTBE x \$ 36.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
total cyanide x \$ 19.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 40.00 = \$ -
other x = \$ -

total per grab: \$ 55.00

Total Laboratory Grab Costs: \$ 55.00

Total Grab Sample Costs: \$ 112.00

Total Analytical Permit Costs: \$ 112.00

Permit No: Example 4

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

Permit Fee: \$ 300.00
Analytical Fee: \$ 67.00
Amount Due: \$ 367.00

Composite Samples:

IPP Requirements: man hours = 0.0 x \$ 53.72 = \$ -
sampler days = 0.0 x \$ 35.00 = \$ -
vehicle hours = 0.0 x \$ 3.00 = \$ -

Total IPP Composite Costs: \$ -

Laboratory Analysis: (each composite)
metals x \$ 9.90 = \$ -
TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH x \$ 5.00 = \$ -
EPA 625 x \$ 229.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 40.00 = \$ -
other x = \$ -
total per composite: \$ -

Total Laboratory Composite Costs: \$ -

Total Composite Sample Costs: \$ -

Grab Samples: 1

IPP Requirements: man hours = 1.0 x \$ 53.72 = \$ 54.00
vehicle hours = 1.0 x \$ 3.00 = \$ 3.00

Total IPP Grab Costs: \$ 57.00

Laboratory Analysis: (each grab)
metals 1 x \$ 9.90 = \$ 10.00
TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH x \$ 5.00 = \$ -
EPA 624 x \$ 100.00 = \$ -
EPA 625 x \$ 229.00 = \$ -
BTEX/MTBE x \$ 36.00 = \$ -
sulfide x \$ 15.00 = \$ -
oil & grease x \$ 25.00 = \$ -
total cyanide x \$ 19.00 = \$ -
hex chrome x \$ 16.00 = \$ -
fecal coliform x \$ 40.00 = \$ -
other x = \$ -
total per grab: \$ 10.00

Total Laboratory Grab Costs: \$ 10.00

Total Grab Sample Costs: \$ 67.00

Total Analytical Permit Costs: \$ 67.00

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 31, 2007

TO: Michael Wolski
Utility Financial Officer

FROM: Charles R. Schroeder, PE
Hydraulic Engineer 

SUBJECT: **2007 SEWER RATE STUDY - TASK #32 – SANITARY SEWER
OVERSIZING RATES**

Sanitary sewer oversizing rates are established as follows:

<u>Description</u>	<u>Amount (Per lineal foot)</u>
8" to 10"	\$ 4.03
8" to 12"	\$ 8.86
8" to 15"	\$ 15.88
10" to 12"	\$ 4.83
10" to 15"	\$ 11.85
12" to 15"	\$ 7.02

These rates have been determined in accordance with the Sewage Disposal System Rules and Regulations and are approved for use from January 1, 2008 through December 31, 2008. Background information and calculations to establish these rates are on file in the Wastewater Treatment Engineering Office. If you have any questions regarding this matter, please call me at extension 3690 (456-3690)

CRS

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

SERVICE AREA MAPS AND SERVICE AREA LAND MASS SUMMARIES

The following summarizes Utility Service Districts (USD) land mass square miles for UAB partner communities, per maps on file as of September 30, 2007:

<u>UAB Partners</u>	<u>Sq. Miles of USD by CC</u>	<u>Percent</u>
Grand Rapids	45.36	35.104%
Walker	20.17	15.610%
Kentwood	14.29	11.060%
Cascade	23.53	18.211%
Grand Rapids Township	11.82	9.148%
Tallmadge Township	2.43	1.881%
Wright Township	0.89	0.689%
East Grand Rapids	3.37	2.608%
Ada	7.15	5.534%
Meijer - Algoma	0.20	0.155%
Total	129.21	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	\$ 64,271	12.50%
City & Customer Community Circuit Breaker	449,896	87.50%
Total	<u>\$ 514,167</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	\$ 449,896	100.00%
Less: Amount Applied in Current Rate Study	(449,896)	-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 6, 2007
TO: Eric DeLong
Deputy City Manager
FROM: Michael Wolski
Utility Financial Officer
SUBJECT: 2008 WATER/SEWER RATES AND CHARGES

The first annual rate review (1976-77) was initially developed by the City, in consultation with the customer communities, to adjust rates annually to provide for the long term needs of the systems and recommend rate adjustments that reflect variations in customer base, usage and operating and capital costs by community. The rate-setting methodology has demonstrated consistent performance in achieving those goals and providing adequate debt service coverage pursuant to our systems' master bond ordinance covenants.

This year's annual review marks the thirtieth (30th) year of recommending water and sewer adjustments (increases or decreases) for Grand Rapids and all customer communities following the general rate-making methodology established in 1976-77. 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. Additionally, this rate review marks the second 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 \$128,979 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 relief was provided to Walker. The sewage system provided partial relief to Walker, Kentwood, Cascade, Tallmadge and Wright Townships.

Summaries of proposed overall revisions for 2008 for the systems are as follows:

1. Water Supply System revenue requirements reflect an increase of \$1,898,663 or 4.95% more than revenues generated by existing rates and charges. Rate adjustments include increases for electricity, decreased integrated connection fees and decreased billed volume.

2. Sewage Disposal System revenue requirements reflect an increase of \$5,809,992 or 15.73% more than revenues generated by existing rates and charges. Rate adjustments reflect increases for claims, electricity, contractual large sewer cleaning, Indian Mill Creek (IMC) sewer project work, Tallman Creek sewer project, Remembrance Lift Station improvements, decreased integrated connection fees, acquisition of a new sewer vector truck and decreased billed volume.

Attached is a schedule of comparative 2007/2008 water/sewer quarterly billings based on system consumption averages for a typical domestic user in Grand Rapids and retail customer communities. Also included is a comparison of the 2007/2008 monthly charge for Wright Township's REU (Residential Equivalent Unit) rate structure. Comparative rate adjustments are also noted for our wholesale customer communities.

Announcement of the proposed 2008 water and sewer rates to our UAB partners and other customer communities is scheduled for Thursday, November 8, 2007. All customer communities have a thirty-day comment period following notification of the rates as provided in our water/sewer service agreements. Approval of customer community rates by the City Commission is scheduled for Tuesday, December 18, 2007.

The attached resolutions provide for publication of proposed ordinances amending the Water and Sewer Rates and Charges and establish December 4, 2007, as the date for public hearing and December 18, 2007, to consider adoption of the proposed ordinances.

MW

Attachment

CITY OF GRAND RAPIDS, MICHIGAN
2007 PRELIMINARY WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON DOMESTIC USERS
BY CUSTOMER COMMUNITY *
November 6, 2007

	<u>APPROXIMATE QUARTERLY BILL</u>		<u>CHANGE</u>	
	<u>2007</u>	<u>2008</u>	<u>DOLLARS</u>	<u>PERCENT</u>
GRAND RAPIDS				
WATER	\$ 69.72	\$ 72.75	\$ 3.03	4.35%
SEWER	71.40	81.06	9.66	13.53%
	<u>\$ 141.12</u>	<u>\$ 153.81</u>	<u>\$ 12.69</u>	8.99%
BASE RATIO	1.00	1.00		
WALKER				
WATER	\$ 72.06	\$ 75.63	\$ 3.57	4.95%
SEWER	74.05	106.64	32.59	44.01%
	<u>\$ 146.11</u>	<u>\$ 182.27</u>	<u>\$ 36.16</u>	24.75%
RATIO TO GR	1.04	1.19		
KENTWOOD				
WATER	\$ 83.85	\$ 87.09	\$ 3.24	3.86%
SEWER	43.67	50.52	6.85	15.69%
	<u>\$ 127.52</u>	<u>\$ 137.61</u>	<u>\$ 10.09</u>	7.91%
RATIO TO GR	0.90	0.89		
CASCADE TWP				
WATER	\$ 115.20	\$ 119.94	\$ 4.74	4.11%
SEWER	96.02	114.46	18.44	19.20%
	<u>\$ 211.22</u>	<u>\$ 234.40</u>	<u>\$ 23.18</u>	10.97%
RATIO TO GR	1.50	1.52		
GRAND RAPIDS TWP				
WATER	\$ 91.08	\$ 94.74	\$ 3.66	4.02%
SEWER	86.21	100.09	13.88	16.10%
	<u>\$ 177.29</u>	<u>\$ 194.83</u>	<u>\$ 17.54</u>	9.89%
RATIO TO GR	1.26	1.27		
TALLMADGE TWP				
WATER	\$ 125.82	\$ 131.64	\$ 5.82	4.63%
SEWER	177.20	259.62	82.42	46.51%
	<u>\$ 303.02</u>	<u>\$ 391.26</u>	<u>\$ 88.24</u>	29.12%
RATIO TO GR	2.15	2.54		

* THE COMPARISONS ABOVE ARE BASED ON SYSTEM AVERAGE DOMESTIC CUSTOMER QUARTERLY CONSUMPTION OF : WATER- 27.00 UNITS OR 20,196 GALLONS
SEWER - 19.00 UNITS OR 14,212 GALLONS
NO. OF MONTHS: 3

Note: The average water consumption depicted above reflects a decrease of two (2) units from last year's rate study. (The average quarterly consumption for water & sewer last year was 29 and 19 units, respectively).

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

WRIGHT TWP- Contribution of \$8,000 for 2007 and \$0 for 2008

SEWER (No. of REU 1.00)	<u>\$ 146.31</u>	<u>\$ 195.87</u>	<u>\$ 49.56</u>	33.87%
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CITY OF GRAND RAPIDS, MICHIGAN
2007 PRELIMINARY WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON WHOLESALE USERS
November 6, 2007

	<u>2007</u>	<u>2008</u>	<u>PERCENTAGE CHANGE</u>
EAST GRAND RAPIDS			
WATER - SERVICE (MONTHLY)	\$ 12,812.00	\$ 11,864.00	-7.40%
- COMMODITY (100 CF)	1.01	1.10	8.91%
SEWER - SERVICE (MONTHLY)	1,802.00	2,127.00	18.04%
- COMMODITY (MG)	1,108.00	1,260.00	13.72%
ADA TWP			
WATER - SERVICE	\$ 29,978.00	\$ 32,831.00	9.52%
- COMMODITY	1.09	1.17	7.34%
SEWER - SERVICE	5,288.00	6,102.00	15.39%
- COMMODITY	1,295.00	1,496.00	15.52%
OTTAWA COUNTY			
WATER - SERVICE	\$ -	\$ 198.00	N/A
- COMMODITY	1.11	1.18	6.31%
NORTH KENT AREA			
SEWER - SERVICE	\$ 36,374.00	\$ 37,728.00	3.72%
- COMMODITY	1,047.00	1,054.00	0.67%
GAINES TWP			
SEWER - SERVICE	\$ 1,423.00	\$ 1,782.00	25.23%
- COMMODITY	1,047.00	1,054.00	0.67%
MEIJER - ALGOMA			
SEWER - SERVICE	\$ 205.00	\$ 235.00	14.63%
- COMMODITY	1,411.00	1,557.00	10.35%

*76730 Com. Tormala, supported by Com. Schmidt, moved adoption of the following resolution under the Consent Agenda:

RESOLVED that the following Ordinance to amend sections 2.34, 2.35, 2.40 and 2.45 of Chapter 26 of Title II of the City Code be published as part of the proceedings, that a public hearing on the proposed Ordinance be held on December 4, 2007, 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 18, 2007.

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. 2007-___

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: \$54.00;
 - (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

RECEIVED

NOV 20 2007

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

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

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

"2.35 Integrated Water Connection Fee Schedule.

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

Integrated Water Connection Base Fee Schedule

Water Meter
(or equivalent)

<u>Size (inches)</u>	<u>Base Fee</u>
3/4 or less	\$ 2,500
1	4,150
1 ½	8,300
2	13,300
3	29,150
4	52,450
6 and over	116,600

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 forgoing schedule. When determining the square footage of a residential parcel for the purposes of determining the appropriate integrated connection fee, parcel size may be adjusted downward to take into consideration such things as wetlands, lakes, streams and other unusual characteristics of the parcel in accordance with policies approved from time to time by the Utility Advisory Board. To the extent the size of a parcel, as adjusted, is greater than or less than twenty thousand (20,000) square feet, one-half the applicable integrated connection fee will increase or decrease by the same percentage increase or decrease in the parcel above or below twenty thousand (20,000) square feet. In the case of multi-family residential dwellings, in order to determine the size of the parcel assigned to each dwelling unit for purposes of calculating the integrated connection fee to be paid by each multi-family residential dwelling unit, the total square footage of the parcel, as adjusted, on which the multi-family residential dwelling is located shall be divided by the total number of residential units. Notwithstanding any other provision in this subsection, the integrated

connection fee for a single-family residential dwelling unit or multi-family residential dwelling unit shall not exceed four and one-half times the applicable base integrated connection fee set forth in foregoing schedule.

There shall be no upward adjustment in the integrated water service connection fee payable for a single-family residential dwelling unit connecting to the Water System if (a) each of the following conditions are met (1) a building permit shall have been obtained, (2) the dwelling unit shall have been constructed, and (3) a certificate of occupancy shall have been issued prior to January 1, 2000 or (b) local building permit fees have been paid to the local governmental unit prior to January 1, 2000 for a single-family residential dwelling unit to be constructed on or after January 1, 2000. When connecting to the Water System, Users living in or owning such single-family residential dwelling units shall pay the applicable base integrated connection fee set forth in the Integrated Water Connection Base Fee Schedule adjusted downward, if applicable, in accordance with the immediate preceding paragraph.

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

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

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

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

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

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

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

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

Commodity Rate

Domestic	\$1.57 per 100 cubic feet
Commercial	\$1.57 per 100 cubic feet
Industrial	\$1.57 per 100 cubic feet

Monthly Service Charge

<u>Size of Meter</u>	<u>Charge</u>
3/4 inch or less	\$ 10.12
1 inch	15.21
1 1/4 inch	21.75
1 1/2 inch	29.74
2 inches	50.09
3 inches	108.22
4 inches	189.61
6 inches or larger	422.14"

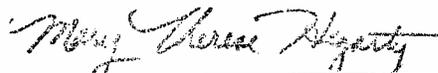
Section 4. That Section 2.45 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.45 Effective Date.

The rates, charges and fees set forth in Section 2.34, 2.35 and 2.40 shall be effective on January 1, 2008."

*** 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 13, 2007.



Mary Therese Hegarty, City Clerk

*76731 Com. Tormala, supported by Com. Schmidt, moved adoption of the following resolution under the Consent Agenda:

RESOLVED that the following Ordinance to amend section 2.95, 2.96, 2.101, 2.102 and 2.105 of Chapter 27 of Title II of the City Code be published as part of the proceedings, and that a public hearing on the proposed Ordinance be held on December 4, 2007, 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 18, 2007.

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. 2007-___

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: \$53.00;
 - (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: \$84.00.

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

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

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

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

"2.96 Integrated Sewer Connection Fee Schedule.

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

Integrated Sewer Connection Base Fee Schedule

<u>Water Meter</u>	
<u>(or equivalent)</u>	
<u>Size (inches)</u>	<u>Base Fee</u>
3/4 or less	\$ 2,500
1	4,150
1 ½	8,300
2	13,300
3	29,150
4	52,450
6 and over	116,600

Except as otherwise provided in the immediately succeeding paragraph, the foregoing integrated sewer connection base fee schedule for single-family and multi-family residential dwelling units shall be adjusted upward and downward as follows: A single-family residential dwelling unit located on a parcel containing twenty thousand (20,000) square feet shall pay the applicable integrated connection fee in accordance with the foregoing schedule. When determining the square footage of a residential parcel for the purposes of determining the appropriate integrated connection fee, parcel size may be adjusted downward to take into consideration such things as wetlands, lakes, streams and other unusual characteristics of the parcel in accordance with policies approved from time to time by the Utility Advisory Board. To the extent the size of a parcel, as adjusted, is greater than or less than twenty thousand (20,000) square feet, one-half the applicable integrated connection fee will increase or decrease by the same percentage increase or decrease in the parcel above or below twenty thousand (20,000) square feet. In the case of multi-family residential dwellings, in order to determine the size of the parcel assigned to each dwelling unit for purposes of calculating the integrated connection fee to be paid by each multi-family residential dwelling unit, the total square footage of the parcel, as adjusted, on which the multi-family residential dwelling is located shall be divided by the total number of residential units. Notwithstanding any other provision in this subsection, the integrated connection fee for a single-family residential dwelling unit or multi-family residential dwelling unit shall not exceed four and one-half times the applicable base integrated connection fee set forth in foregoing schedule.

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

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

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

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

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

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

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

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

<u>Commodity Rate</u>	
Domestic	\$2.58 per 100 cubic feet
Commercial	\$2.58 per 100 cubic feet
Industrial	\$2.58 per 100 cubic feet
<u>Monthly Service Charge</u>	
<u>Size of Meter</u>	<u>Charge</u>
3/4 inch or less	\$ 10.68
1 inch	16.51
1 1/4 inches	24.00
1 1/2 inches	33.15

2 inches	56.45
3 inches	123.03
4 inches	216.24
6 inches or larger	482.55"

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

"2.102 Surcharges and Permit Fees.

- (1) If the City Manager determines that a discharge will not cause pass through or interference as defined in this Chapter, Industrial or Commercial users whether they are located within a retail service area or a bulk service area shall be charged a surcharge if the concentration of their discharge exceeds a five-day BOD of two hundred fifty (250) mg/l, and/or TSS of two hundred fifty (250) mg/l, or any phosphorus of fifteen (15) mg/l. That charge shall be twenty-one and seven-tenth cents (\$0.217) per pound of BOD and twenty-two and seven-tenth cents (\$0.227) per pound of TSS and one dollar and eleven and four-tenth cents (\$1.114) 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-four and seven-tenth cents (\$0.247) per pound of ammonia in excess of the above limit. Discharge concentrations of these substances and the resulting surcharge shall be based on at least three composite samples per quarter. This sampling shall be performed by either the City or the Industrial User as determined by the City Manager.
- (2) The fee for a Significant Industrial User Discharge Permit as provided for in Section 2.70 of this Chapter whether they are located within a retail service area or a bulk service area shall be three hundred dollars (\$300.00) per year and an analytical fee based upon Section 2.102(3).
- (3) The following schedule of charges shall apply to any analysis which may be required as a part of a Significant Industrial User Discharge Permit:

Metals	\$ 9.90	each
TSS	6.00	each
BOD	12.00	each
Total Phosphate	11.00	each
pH	5.00	each
EPA 624	100.00	each
EPA 625	229.00	each
BTEX/MTBE	36.00	each
Sulfide	15.00	each
Oil and Grease	25.00	each
Total Cyanide	19.00	each
Hexavalent Chromium	16.00	each
Fecal Coliform	40.00	each
Labor	53.72	hour
Sampler	35.00	day
Vehicle	3.00	hour

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

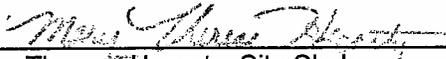
Section 5. That Section 2.105 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.105 Effective Date.

The rates, charges and fees set forth in Section 2.95, 2.96, 2.101 and 2.102 shall be effective on January 1, 2008."

* 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 13, 2007.



Mary Therese Hegarty, City Clerk

NOTICE OF PUBLIC HEARING

THE GRAND RAPIDS PRESS

Be someone who gets it.

STATE OF MICHIGAN,
COUNTY OF KENT } SS.

The Advertising Director of THE GRAND RAPIDS, PRESS , a newspaper published in the County of Kent, and circulated throughout West Michigan, being duly sworn, deposes and says that the following advertising was inserted.

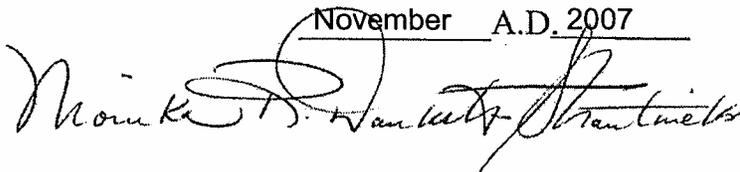
November 24, 2007



Advertising Director

Sworn and subscribed before me this 24th day of

November A.D. 2007



NOTARY PUBLIC, KENT COUNTY, MI

My commission expires:

MONIKA R. DAUKSTS-STRAUTNIEKS
Notary Public, State of Michigan
County of Kent
My Commission Expires July 27, 2012
Acting in the County of Kent



**CITY OF
GRAND
RAPIDS**

**A PUBLIC HEARING
ON PROPOSED
WATER/SEWER RATES
AND CHARGES FOR 2008**

A public hearing will be held at 7:00 p.m. on Tuesday, December 4, 2007, in the Grand Rapids City Commission Chambers, 9th floor of City Hall, 300 Monroe Avenue, NW, Grand Rapids, MI.

The City of Grand Rapids has completed the "Preliminary Water-Sewer 2007 Rate Study" report, which is the basis for recommending rates to become effective January 1, 2008 for all residential, commercial and industrial users. That report, which also includes information on the Individual Circuit Breaker Program, the program aimed to help retail users requiring assistance in payment of their water/sewer bills, is available for public inspection in the City Clerk's Office, 2nd floor of City Hall, between 8:00 a.m. and 5:00 p.m. weekdays.

We encourage all water/sewer users to attend this public hearing on December 4, 2007.

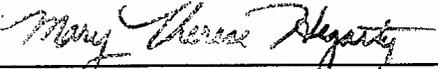
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PUBLIC HEARINGS - GRAND RAPIDS ORDINANCES

76838 Pursuant to Commission File No. 76730, November 13, 2007, a public hearing was held on this date to consider an Ordinance to amend Chapter 26 of Title II of the City Code amending the Water Rates and Charges.

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

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held December 4, 2007.



Mary Therese Hegarty, City Clerk

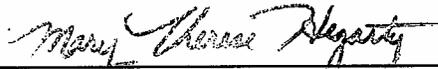
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76839 Pursuant to Commission File No. 76731, November 13, 2007, a public hearing was held on this date to consider an Ordinance to amend Chapter 27 of Title II of the City Code amending the Sewer Rates and Charges.

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

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held December 4, 2007.



Mary Therese Hegarty, City Clerk

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FINAL ADOPTION OF RATE ORDINANCES

76856 An Ordinance to amend Chapter 26 of the City Code to amend the Water Rates and Charges was presented to the City Commission on November 13, 2007 under File No. 76730 and at a public hearing on December 4, 2007 under File No. 76838 to be considered for adoption this date.

Com. Schmidt, supported by Com. Tormala, 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. 2007-69

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: \$54.00;
 - (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

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

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

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

"2.35 Integrated Water Connection Fee Schedule.

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

Integrated Water Connection Base Fee Schedule

Water Meter (or equivalent) Size (inches)	<u>Base Fee</u>
3/4 or less	\$ 2,500
1	4,150
1 ½	8,300
2	13,300
3	29,150
4	52,450
6 and over	116,600

Except as otherwise provided in the immediately succeeding paragraph, the foregoing integrated water connection base fee schedule for single-family and multi-family residential dwelling units shall be adjusted upward and downward as follows: A single-family residential dwelling unit located on a parcel containing twenty thousand (20,000) square feet shall pay the applicable integrated connection fee in accordance with the foregoing schedule. When determining the square footage of a residential parcel for the purposes of determining the appropriate integrated connection fee, parcel size may be adjusted downward to take into consideration such things as wetlands, lakes, streams and other unusual characteristics of the parcel in accordance with policies approved from time to time by the Utility Advisory Board. To the extent the size of a parcel, as adjusted, is greater than or less than twenty thousand (20,000) square feet, one-half the applicable integrated connection fee will increase or decrease by the same percentage increase or decrease in the parcel above or below twenty thousand (20,000) square feet. In the case of multi-family residential dwellings, in order to determine the size of the parcel assigned to each dwelling unit for purposes of calculating the integrated connection fee to be paid by each multi-family residential dwelling unit, the total square footage of the parcel, as adjusted, on which the multi-family residential dwelling is located shall be divided by the total number of residential units. Notwithstanding any other provision in this subsection, the integrated connection fee for a single-family residential dwelling unit or multi-family residential dwelling unit shall not exceed four and one-half times the applicable base integrated connection fee set forth in foregoing schedule.

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

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

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

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

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

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

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

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

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

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

	<u>Commodity Rate</u>
Domestic	\$1.57 per 100 cubic feet
Commercial	\$1.57 per 100 cubic feet
Industrial	\$1.57 per 100 cubic feet
	 <u>Monthly Service Charge</u>
<u>Size of Meter</u>	<u>Charge</u>
3/4 inch or less	\$ 10.12
1 inch	15.21
1 1/4 inch	21.75

1 1/2 inch	29.74
2 inches	50.09
3 inches	108.22
4 inches	189.61
6 inches or larger	422.14"

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

"2.45 Effective Date.

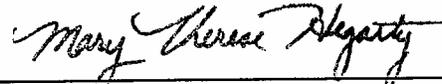
The rates, charges and fees set forth in Section 2.34, 2.35 and 2.40 shall be effective on January 1, 2008."

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

Com. Schmidt, supported by Com. Lumpkins, 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 18, 2007.



Mary Therese Hegarty, City Clerk

76857 An Ordinance to amend Chapter 27 of the City Code to amend the Sewer Rates and Charges was presented to the City Commission on November 13, 2007 under File No. 76731 and at a public hearing on December 4, 2007 under File No. 76839 to be considered for adoption this date.

Com. Schmidt, supported by Com. Tormala, 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. 2007-70

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: \$53.00;
 - (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: \$84.00.

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

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

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

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

"2.96 Integrated Sewer Connection Fee Schedule.

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

Integrated Sewer Connection Base Fee Schedule

<u>Water Meter (or equivalent) Size (inches)</u>	<u>Base Fee</u>
3/4 or less	\$ 2,500
1	4,150
1 ½	8,300
2	13,300
3	29,150
4	52,450
6 and over	116,600

Except as otherwise provided in the immediately succeeding paragraph, the foregoing integrated sewer connection base fee schedule for single-family and multi-family residential dwelling units shall be adjusted upward and downward as follows: A single-family residential dwelling unit located on a parcel containing twenty thousand (20,000) square feet shall pay the applicable integrated connection fee in accordance with the foregoing schedule. When determining the square footage of a residential parcel for the purposes of determining the appropriate integrated connection fee, parcel size may be adjusted downward to take into consideration such things as wetlands, lakes, streams and other unusual characteristics of the parcel in accordance with policies approved from time to time by the Utility Advisory Board. To the extent the size of a parcel, as adjusted, is greater than or less than twenty thousand (20,000) square feet, one-half the applicable integrated connection fee will increase or decrease by the same percentage increase or decrease in the parcel above or below twenty thousand (20,000) square feet. In the case of multi-family residential dwellings, in order to determine the size of the parcel assigned to each dwelling unit for purposes of calculating the integrated connection fee to be paid by each multi-family residential dwelling unit, the total square footage of the parcel, as adjusted, on which the multi-family residential dwelling is located shall be divided by the total number of residential units. Notwithstanding any other provision in this subsection, the integrated connection fee for a single-family residential dwelling unit or multi-family residential dwelling unit shall not exceed four and one-half times the applicable base integrated connection fee set forth in foregoing schedule.

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

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

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

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

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

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

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

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

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

Commodity Rate

Domestic	\$2.58 per 100 cubic feet
Commercial	\$2.58 per 100 cubic feet
Industrial	\$2.58 per 100 cubic feet

Monthly Service Charge

<u>Size of Meter</u>	<u>Charge</u>
3/4 inch or less	\$ 10.68
1 inch	16.51
1 1/4 inches	24.00
1 1/2 inches	33.15
2 inches	56.45
3 inches	123.03
4 inches	216.24
6 inches or larger	482.55"

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

"2.102 Surcharges and Permit Fees.

- (1) If the City Manager determines that a discharge will not cause pass through or interference as defined in this Chapter, Industrial or Commercial users whether they are located within a retail service area or a bulk service area shall be charged a surcharge if the concentration of their discharge exceeds a five-day BOD of two hundred fifty (250) mg/l, and/or TSS of two hundred fifty (250) mg/l, or any phosphorus of fifteen (15) mg/l. That charge shall be twenty-one and seven-tenth cents (\$0.217) per pound of BOD and twenty-two and seven-tenth cents (\$0.227) per pound of TSS and one dollar and eleven and four-tenth cents (\$1.114) 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-four and seven-tenth cents (\$0.247) per pound of ammonia in excess of the above limit. Discharge concentrations of these substances and the resulting surcharge shall be based on at least three composite samples per quarter. This sampling shall be performed by either the City or the Industrial User as determined by the City Manager.
- (2) The fee for a Significant Industrial User Discharge Permit as provided for in Section 2.70 of this Chapter whether they are located within a retail service area or a bulk service area shall be three hundred dollars (\$300.00) per year and an analytical fee based upon Section 2.102(3).
- (3) The following schedule of charges shall apply to any analysis which may be required as a part of a Significant Industrial User Discharge Permit:

Metals	\$ 9.90	each
TSS	6.00	each
BOD	12.00	each
Total Phosphate	11.00	each
pH	5.00	each
EPA 624	100.00	each
EPA 625	229.00	each
BTEX/MTBE	36.00	each
Sulfide	15.00	each
Oil and Grease	25.00	each
Total Cyanide	19.00	each
Hexavalent Chromium	16.00	each
Fecal Coliform	40.00	each
Labor	53.72	hour
Sampler	35.00	day
Vehicle	3.00	hour

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

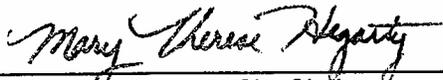
Section 5. That Section 2.105 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"2.105 Effective Date.

The rates, charges and fees set forth in Section 2.95, 2.96, 2.101 and 2.102 shall be effective on January 1, 2008."

Carried by a roll call vote: Yeas: -7 Nays: -0
Com. Bliss, supported by Com. Schmidt, 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 18, 2007.



Mary Therese Hegarty, City Clerk

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WRIGHT TOWNSHIP INQUIRY

Wolski, Michael

From: JoAnn Becker [Joannbecker@provide.net]
Sent: Tuesday, November 13, 2007 12:41 PM
To: Wolski, Michael
Subject: Sewer Rate Study

Dear Mike:

I have a couple of questions. I do not know who allocates the costs, but would appreciate you finding out so that we may be supplied with this important information. If these are questions for another department, could you please forward to the appropriate person and let me know as I need to have this in writing ASAP.

Page S – 13 lists pumping station costs for the year. The list assigns \$9,057 in costs for the 8th and Leonard lift station to Wright that should be assigned to Tallmadge.

Page S – 20 shows a 19.16 percent annual increase in Wright sewer flows. That seems very high. Please supply us with the raw data and the reasons for the increase.

Thank you so much.

JoAnn Becker

GRAND RAPIDS RESPONSE TO WRIGHT TOWNSHIP INQUIRY

Wolski, Michael

From: Wolski, Michael
Sent: Tuesday, November 13, 2007 2:20 PM
To: 'JoAnn Becker'
Cc: Wiersma, Bill (tvaness@tallmadge.com); DeLong, Eric; Buhrer, Scott; Wagenmaker, Linda; Schroeder, Charles
Subject: RE: Sewer Rate Study
Attachments: Wrt Vol Inquiry-11130701.pdf

Dear JoAnn:

Thanks for this email and taking time to talk to me this afternoon. This written response, per your request, will serve to confirm:

Page S-13: The \$9,057 in O&M expenses for the test period for the lift station at 8th & Leonard will be reassigned to Tallmadge Township's 2008 revenue requirements in the final rate study. Good catch, JoAnn!

Page S-20: Please see the attached for how Wright Township's estimated billed volume (18,511,481) is calculated. This is consistent with previous years, Joann.

Mike

From: JoAnn Becker [mailto:Joannbecker@provide.net]
Sent: Tuesday, November 13, 2007 12:41 PM
To: Wolski, Michael
Subject: Sewer Rate Study

Dear Mike:

I have a couple of questions. I do not know who allocates the costs, but would appreciate you finding out so that we may be supplied with this important information. If these are questions for another department, could you please forward to the appropriate person and let me know as I need to have this in writing ASAP.

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Thank you so much.

JoAnn Becker

**City of Grand Rapid, MI
2007 Sewer Rate Study - Task 6
Wright Township - Estimate Annual Retail Billed Volume
Wednesday, August 29, 2007**

Historical Flow for the Test Period

Hayes West- Average Daily Flow- Gallons (1)	72,423
Multiplied by days in a year	<u>@ 365</u>
Hayes West- Estimated Annual Flow Gallons	<u><u>26,434,395</u></u>

Estimate Annual Retail Billed Volume for Wright Township

Hayes West- Estimated Annual Flow- Gallons	26,434,395
Divided by Retail Customer Community Factor (2)	<u>/ 1.428</u>
Wright Township- Estimated Annual Retail Billed Volume- Gallons	<u><u>18,511,481</u></u>

(1) Per Mike Lunn's email of 8/29/07, regarding average daily flow , based on Jul 2006 to June 2007.

(2) Service Agreement, Factor Pertaining to Retail Customer Communities

Estimated Lift Station Flows

Based on July 2006 to July 2007

Revised August 21, 2007

Name of Station	Percent Run Time	Average Daily Flow Gallons	Average Flow GPM	Peak Flow GPM	Tankers Required (avg / peak)
10 Mile Lift Station - Meter		21,115	15	44	N/A
16th Ave Marne	5.49%	25,635	18	54	1 / 1
6040 28th St	8.19%	26,603	18	54	1 / 1
8th & Leonard	0.33%	-	0	0	1 / 1
Aberdeen	19.68%	368,387	256	768	3 / 7
Ada Lift Station	38.12%	768,438	534	1602	
Alpine Estates	9.53%	41,295	29	87	1 / 1
Arbor Hills	3.49%	19,113	13	39	1 / 1
Bird Ave	17.47%	200,947	140	420	1 / 2
Bona Vista	23.66%	255,247	177	531	1 / 3
Brookview	30.94%	580,450	403	1209	3 / 7
Burton Cascade	7.73%	119,853	83	249	1 / 1
Cascade Springs	7.74%	30,949	21	63	1 / 1
Celebration	9.27%	60,084	42	126	1 / 1
Churchhill Downs	15.63%	45,573	32	96	1 / 1
Collingdale	1.75%	3,960	3	9	1 / 1
Crahen	7.42%	31,823	22	66	1 / 1
Cypress Trails	1.77%	2,939	1	3	1/1/2006
Eagle Crest	15.44%	66,905	46	138	1 / 1
East Lake	9.61%	24,699	17	51	1 / 1
East Paris	13.49%	35,569	25	75	1 / 1
Elmdale	0.83%	4,144	3	9	1 / 1
Greenbrier	15.24%	87,260	61	183	1 / 1
Guild	20.14%	174,054	121	363	150' Hose
Hayes East	0.01%	-	0	0	
Hayes West	4.83%	72,423 *	50	150	1 / 1
Jonathon Woods	2.81%	11,226	8	24	1 / 1
Kingsbury	21.06%	212,526	148	444	2 / 4
Kraft Ave	12.33%	88,747	62	186	1 / 2
Leonard Heights	23.89%	325,799	226	678	2 / 3
Lincoln School	1.71%	13,455	9	27	1 / 1
Meadowood Trails	9.94%	14,205	10	30	1 / 1
Michigan St.	10.11%	14,701	10	30	1 / 1
Millbank	10.47%	60,327	42	126	1 / 1
Mountain Ash	10.51%	16,647	12	36	1 / 1
Oak Hollow	10.31%	37,128	26	78	1 / 1
O'brien	18.82%	722,098	501	1503	6 / 10
Orchard vista	1.67%	7,510	5	15	1 / 1
Reeds Lake	16.19%	113,548	79	237	1 / 3
Reeds Hollow	3.70%	6,398	4	12	1 / 1
Remembrance & 3 Mile	23.99%	418,762	291	873	4 / 7
Rickman	2.81%	3,750	3	9	1 / 1
Robinhood	24.59%	52,703	37	111	1 / 1
Saddleback	3.08%	3,543	2	6	1 / 1
Shore Haven	5.12%	4,791	3	9	1 / 1
Summit Ridge	0.00%	-	0	0	1 / 1
Stonebridge	4.24%	11,535	8	24	1 / 1
Thornapple	13.71%	236,417	164	492	2 / 4
Thornhills	14.25%	82,421	57	171	1 / 2
Valentine	0.43%	858	1	3	1 / 1
Watermark	5.65%	44,761	31	93	1 / 1
Woodsboro Court	0.40%	804	1	3	1 / 1
Eastern Regular Pumps	1.40%	10,395	7	21	2 / 3
Eastern Trim Pump	1.87%	14,771	10	30	
Middleboro Low Speed	37.75%	243,014	169	507	2 / 5
Middleboro High Speed	0.88%	10,537	5	15	
Totals		5,804,092	4,028	12,084	
July 2006 - July 2007		5,782,755	3,697	11,091	
% Change		0.4%			

* Flows were estimated based on pump running time records taken between July 2006 and July 2007 and pump capacity records in each station's designed documents and draw down tests. The flows will vary with day of week, age of the pump and season. The number of customers served by each station grows with time and flows also increase as the sewers age and the amount of I & I increases. Peaking factor is 3.0 except for for small stations.

Edward Rumbergs
WWTP Utility Supervisor

Wolski, Michael

From: Wolski, Michael
Sent: Monday, November 19, 2007 4:54 PM
To: Becker, JoAnn; Wiersma, Bill (tvaness@tallmadge.com)
Cc: DeLong, Eric; Buhner, Scott; Wagenmaker, Linda; Wendt, Dick; Fisher, Randall
Subject: Wright/Tallmadge- Revised Revenue Requirements/Rates- Calendar Year 2008- 8th & Leonard LS
Attachments: Tallmadge-Wrt-New Rates-11190701.xls

Hello JoAnn & Bill:

The attached file, which contains 5 spreadsheets, depicts the revisions noted above for shifting the 8th & Leonard Lift Station operating expenses (\$9,057) from Wright Township to Tallmadge Township. To summarize: Wright's revenue requirements would decrease by a net amount of \$6,703 to \$273,718; Tallmadge's sewage revenue requirements would increase by a net amount of \$6,702 to \$222,461. ***The attached does not reflect any reductions for any cash contributions you may be considering to further reduce rates for your community for calendar year 2008.*** Please let me know if you have any questions.
Thank you.

Mike

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ACCUMULATE REVENUE REQUIREMENTS BY CUSTOMER COMMUNITIES- TASK NO. 25 - REVISED
FOR 8TH & LEONARD LIFT STATION SHIFT (FROM WRIGHT TO TALLMADGE)
FISCAL YEAR ENDED JUNE 30, 2007 - CALENDAR YEAR 2008 REVENUE REQUIREMENTS**

DESCRIPTION OF REVENUE REQUIREMENTS	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP
OPERATION & MAINTENANCE EXPENSE - TASK NO. 22	\$ 91,348	\$ 97,254
DEPRECIATION EXPENSE - TASK NO. 24	24,918	36,865
RETURN ON SYSTEM INVESTMENT - TASK NO. 21	76,396	111,329
REVENUE CREDITS- TASK NO. 23	(1,023)	(1,626)
ALLOCATE:		
INTEGRATED CONN. FEE CREDIT	(3,631)	(2,834)
INTEGRATED SYSTEM	59,988	46,836
LESS: CIRCUIT BREAKER	(25,535)	(14,106)
	\$ 222,461	\$ 273,718

Includes adjustment for 8th & Leonard Lift Station

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

SYSTEM REVENUE REQUIREMENTS *	\$	222,461
LESS: CASH CONTRIBUTION		-
SYSTEM REVENUE REQUIREMENTS	\$	<u>222,461</u>

CURRENT REVENUES

MONTHLY METER CHARGE			
223 meter equivalents	x	\$ 16.80	x 12 = \$ 44,957
MONTHLY BILLING CHARGE			
112 meters	x	\$ 3.38	x 12 = 4,543
COMMODITY CHARGE			
15,675 units (100 CF)	x	\$ 6.14	= <u>96,245</u>
			<u>(145,745)</u>
REQUIRED REVENUE INCREASE (DECREASE)			<u>\$ 76,716</u>

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 52.64%

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 25,535

Includes adjustment for 8th & Leonard Lift Station

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

SYSTEM REVENUE REQUIREMENTS *	\$	273,718
LESS: CASH CONTRIBUTION		-
SYSTEM REVENUE REQUIREMENTS	\$	<u>273,718</u>

CURRENT REVENUES

REU CHARGE		
357.937 meter equivalents	x \$ 48.77	x 12 = \$ 209,479
MONTHLY METER CHARGE		
357.937 meter equivalents	x \$ -	x 12 = -
MONTHLY BILLING CHARGE		
229 meters	x \$ -	x 12 = -
COMMODITY CHARGE		
24,748 units (100 CF)	x \$ -	= <u>-</u>
		<u>(209,479)</u>
REQUIRED REVENUE INCREASE (DECREASE)	\$	<u>64,239</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>30.67%</u>

* REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 14,106

Includes adjustment for 8th & Leonard Lift Station

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

MONTHLY REU CHARGE:

$$\frac{\text{SYSTEM REVENUE REQUIREMENTS **}}{\text{TOTAL REU'S * 12 MONTHS}} = \frac{\$273,718}{357.937 \times 12} = \$ \underline{\underline{63.73}} \quad \text{MONTHLY REU CHARGE *}$$

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	\$ 63.73	7.5000	\$ 477.98	19.0000	\$ 1,210.87
1.5000	95.60	8.0000	509.84	20.0000	1,274.60
2.0000	127.46	8.5000	541.71	25.0000	1,593.25
2.5000	159.33	9.0000	573.57	30.0000	1,911.90
3.0000	191.19	9.5000	605.44	35.0000	2,230.55
3.5000	223.06	10.0000	637.30	40.0000	2,549.20
4.0000	254.92	11.0000	701.03	50.0000	3,186.50
4.4000	280.41	12.0000	764.76	60.0000	3,823.80
4.5000	286.79	13.0000	828.49	70.0000	4,461.10
5.0000	318.65	14.0000	892.22	80.0000	5,098.40
5.5000	350.52	15.0000	955.95	90.0000	5,735.70
6.0000	382.38	16.0000	1,019.68	100.0000	6,373.00
6.5000	414.25	17.0000	1,083.41	150.0000	9,559.50
7.0000	446.11	18.0000	1,147.14	200.0000	12,746.00

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 14,106

Includes adjustment for 8th & Leonard Lift Station

INTRODUCTION OF RESOLUTION APPROVING CUSTOMER COMMUNITY RATES

KW

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: December 12, 2007

TO: Eric DeLong
Deputy City Manager

FROM: Michael Wolski
Utility Financial Officer

SUBJECT: 2008 CUSTOMER COMMUNITY WATER-SEWER RATES

The 2007 Preliminary Water-Sewer Rate Study recommended water and sewer rate adjustments as of January 1, 2008, 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 8, 2007. The water-sewer service agreements provide customer communities a thirty-day comment period following notification of rate adjustments.

Tallmadge Township and Wright Township have elected to contribute \$30,000 and \$50,000, respectively, to offset proposed sewer rate increases as recommended in the preliminary rate study. In addition, operating expenses for a sewer lift station initially assigned to Wright Township in the preliminary rate study have been reassigned to Tallmadge Township.

The attached resolution approves the recommended water and sewer rates for the City's retail and wholesale communities for calendar year 2008. A rate schedule for each customer community is attached to the resolution.

MW

Attachments

Your COMMITTEE OF THE WHOLE recommends adoption of the following resolution approving the attached revised Water and Sewer Rates in accordance with the 2007 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 2006, and,

WHEREAS, The 2007 Water-Sewer Rate Review has been completed using the same general methodology as the 1976 through 2006 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, 2008.

RESOLVED that the City Clerk is directed to notify the contractual water and sewer service customers in writing of the water and sewer rates, and the Mayor and City Clerk are authorized to take any other action as may be required to evidence the new water and sewer rates.

*Prepared by Michael Wolski, Utility Financial Officer
CW 2008 Customer Community Rates*

Page has been removed from the published Rate Study.

Page has been removed from the published Rate Study.

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APPROVAL OF CUSTOMER COMMUNITY RATES

*76877 Com. Schmidt, supported by Com. Jendrasiak, 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 2006, and,

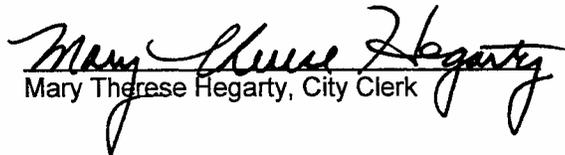
WHEREAS, The 2007 Water-Sewer Rate Review has been completed using the same general methodology as the 1976 through 2006 Water-Sewer Rate Studies, as adjusted where appropriate for the uniform water and sewer service agreements.

RESOLVED that the attached water and sewer rates are approved and shall be effective January 1, 2008.

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

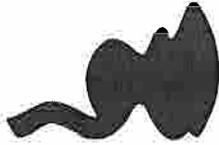
I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held December 18, 2007.


Mary Therese Hegarty, City Clerk

RECEIVED

DEC 21 2007

CITY CLERK



CITY OF GRAND RAPIDS

December 21, 2007

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

Dear Sarah:

The "2007 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 8, 2007, followed by a thirty-day comment period.

On December 18, 2007, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2008. 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,

A handwritten signature in cursive script, appearing to read "Mary".

Mary Therese Hegarty
City Clerk

MTH/slp

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

RECEIVED

DEC 21 2007

MARY THERESE HEGARTY, CITY CLERK
300 MONROE, N.W., GRAND RAPIDS, MICHIGAN 49503
TELEPHONE (616) 456-3010 • FAX (616) 456-4607

CITY OF WALKER, MICHIGAN

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.50 /100 CF *
\$ 1.43 x 105.15%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 3,163,236
NEW COMMODITY CHARGE		
1,380,081 x \$ 1.50	\$ 2,070,122	
NEW MONTHLY BILLING CHARGE		
5,871 x \$ 3.58 x 12	252,218	
MONTHLY FIRE PROTECTION CHARGE	57,888	
ANNUAL HYDRANT CHARGE	-	<u>(2,380,228)</u>
		<u>\$ 783,008</u>

MONTHLY METER CHARGE = $\frac{\$783,008}{8,026 \times 12} = \underline{\underline{\$ 8.13 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 8.13	\$ 3.58	\$ 11.71	\$ 11.15
1"	1.7778	14.45	3.58	18.03	16.91
1 1/4"	2.7778	22.58	3.58	26.16	24.31
1 1/2"	4.0000	32.52	3.58	36.10	33.35
2"	7.1111	57.81	3.58	61.39	56.37
3"	16.0000	130.08	3.58	133.66	122.15
4"	28.4444	231.25	3.58	234.83	214.24
6" and over	64.0000	520.32	3.58	523.90	477.35

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008
 ** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 79,356

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.03 /100 CF *
 \$ 1.39 x 145.78%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 3,808,043
NEW COMMODITY CHARGE		
952,480 x \$ 2.03		\$ 1,933,534
NEW MONTHLY BILLING CHARGE		
5,418 x \$ 3.19 x 12	207,401	(2,140,935)
		<u>\$ 1,667,108</u>

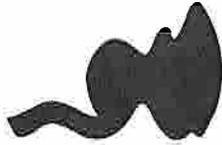
MONTHLY METER CHARGE = $\frac{\$1,667,108}{7,123 \times 12} = \underline{\underline{\$ 19.50 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 19.50	\$ 3.19	\$ 22.69	\$ 15.88
1"	1.7778	34.67	3.19	37.86	25.60
1 1/4"	2.7778	54.17	3.19	57.36	38.10
1 1/2"	4.0000	78.00	3.19	81.19	53.38
2"	7.1111	138.67	3.19	141.86	92.27
3"	16.0000	312.00	3.19	315.19	203.38
4"	28.4444	554.67	3.19	557.86	358.94
6" and over	64.0000	1,248.00	3.19	1,251.19	803.38

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 369,737

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December 21, 2007

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

Dear Dan:

The "2007 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 8, 2007, followed by a thirty-day comment period.

On December 18, 2007, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2008. 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,

A handwritten signature in cursive script, appearing to read "Mary".

Mary Therese Hegarty
City Clerk

MTH/slp

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

RECEIVED

DEC 21 2007

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.80 /100 CF *
 \$ 1.52 x 118.26%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 2,960,368
NEW COMMODITY CHARGE		
1,442,501 x \$ 1.80		\$ 2,596,502
NEW MONTHLY BILLING CHARGE		
4,254 x \$ 3.19 x 12	162,843	(2,759,345)
		\$ 201,023

MONTHLY METER CHARGE = $\frac{\$201,023}{7,429 \times 12} = \underline{\underline{\$ 2.25 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 2.25	\$ 3.19	\$ 5.44	\$ 4.93
1"	1.7778	4.00	3.19	7.19	6.14
1 1/4"	2.7778	6.25	3.19	9.44	7.69
1 1/2"	4.0000	9.00	3.19	12.19	9.58
2"	7.1111	16.00	3.19	19.19	14.40
3"	16.0000	36.00	3.19	39.19	28.18
4"	28.4444	64.00	3.19	67.19	47.47
6" and over	64.0000	144.00	3.19	147.19	102.58

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 16,069

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December 21, 2007

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

Dear Mr. Goodyke:

The "2007 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 8, 2007, followed by a thirty-day comment period.

On December 18, 2007, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2008. 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,

Mary Therese Hegarty
City Clerk

MTH/slp

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

RECEIVED

DEC 21 2007

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.16 /100 CF *
 \$ 2.07 x 104.27%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 3,239,924
NEW COMMODITY CHARGE		
946,674 x \$ 2.16		\$ 2,044,816
NEW MONTHLY BILLING CHARGE		
3,017 x \$ 3.58 x 12		129,610
MONTHLY FIRE PROTECTION CHARGE		54,888
ANNUAL HYDRANT CHARGE		<u>37,800</u>
		<u>(2,267,114)</u>
		<u>\$ 972,810</u>

MONTHLY METER CHARGE = $\frac{\$972,810}{4,781 \times 12} = \underline{\underline{\$ 16.96 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 16.96	\$ 3.58	\$ 20.54	\$ 19.77
1"	1.7778	30.15	3.58	33.73	32.23
1 1/4"	2.7778	47.11	3.58	50.69	48.25
1 1/2"	4.0000	67.84	3.58	71.42	67.83
2"	7.1111	120.60	3.58	124.18	117.67
3"	16.0000	271.36	3.58	274.94	260.07
4"	28.4444	482.42	3.58	486.00	459.43
6" and over	64.0000	1,085.44	3.58	1,089.02	1,029.03

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

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

COMMODITY CHARGE:

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

\$ 1.70 x 120.40%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS ** \$ 1,737,942

NEW COMMODITY CHARGE \$ 953,459

465,102 x \$ 2.05

NEW MONTHLY BILLING CHARGE

1,627 x \$ 3.19 x 12 62,282 (1,015,741)

\$ 722,201

MONTHLY METER CHARGE = $\frac{\$722,201}{2,738 \times 12} = \underline{\underline{\$ 21.98 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 21.98	\$ 3.19	\$ 25.17	\$ 21.24
1"	1.7778	39.08	3.19	42.27	35.13
1 1/4"	2.7778	61.06	3.19	64.25	52.99
1 1/2"	4.0000	87.92	3.19	91.11	74.82
2"	7.1111	156.30	3.19	159.49	130.38
3"	16.0000	351.68	3.19	354.87	289.14
4"	28.4444	625.21	3.19	628.40	511.40
6" and over	64.0000	1,406.72	3.19	1,409.91	1,146.42

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 24,449

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December 21, 2007

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

Dear Janice:

The "2007 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 8, 2007, followed by a thirty-day comment period.

On December 18, 2007, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2008. 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,

Mary Therese Hegarty
City Clerk

MTH/slp

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

RECEIVED

DEC 21 2007

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.78 /100 CF *
 \$ 1.71 x 104.14%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS	\$ 2,164,679
NEW COMMODITY CHARGE	
719,614 x \$ 1.78	\$ 1,280,913
NEW MONTHLY BILLING CHARGE	
3,746 x \$ 3.58 x 12	160,928
MONTHLY FIRE PROTECTION CHARGE	16,704
ANNUAL HYDRANT CHARGE	<u>25,020</u>
	<u>(1,483,565)</u>
	<u>\$ 681,114</u>

MONTHLY METER CHARGE = $\frac{\$681,114}{4,737 \times 12} = \underline{\underline{\$ 11.98 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 11.98	\$ 3.58	\$ 15.56	\$ 14.97
1"	1.7778	21.30	3.58	24.88	23.70
1 1/4"	2.7778	33.28	3.58	36.86	34.92
1 1/2"	4.0000	47.92	3.58	51.50	48.63
2"	7.1111	85.19	3.58	88.77	83.54
3"	16.0000	191.68	3.58	195.26	183.27
4"	28.4444	340.76	3.58	344.34	322.90
6" and over	64.0000	766.72	3.58	770.30	721.83

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.84 /100 CF *
 \$ 1.58 x 116.55%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS	\$ 1,789,420
NEW COMMODITY CHARGE	
410,440 x \$ 1.84	\$ 755,210
NEW MONTHLY BILLING CHARGE	
3,345 x \$ 3.19 x 12	<u>128,047</u>
	<u>(883,257)</u>
	<u>\$ 906,163</u>

MONTHLY METER CHARGE = $\frac{\$906,163}{4,078 \times 12} = \underline{\underline{\$ 18.52 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 18.52	\$ 3.19	\$ 21.71	\$ 18.73
1"	1.7778	32.92	3.19	36.11	30.67
1 1/4"	2.7778	51.44	3.19	54.63	46.02
1 1/2"	4.0000	74.08	3.19	77.27	64.78
2"	7.1111	131.70	3.19	134.89	112.54
3"	16.0000	296.32	3.19	299.51	248.98
4"	28.4444	526.79	3.19	529.98	440.00
6" and over	64.0000	1,185.28	3.19	1,188.47	985.78

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

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December 21, 2007

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

Dear Ms. Cook:

The "2007 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 8, 2007, followed by a thirty-day comment period.

On December 18, 2007, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2008. 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,

Mary Therese Hegarty
City Clerk

MTH/slp

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

RECEIVED

DEC 21 2007

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 8.11 /100 CF *
 \$ 6.14 x 132.05%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS **		\$ 192,461
NET OF CONTRIBUTION OF \$ 30,000		
NEW COMMODITY CHARGE		
15,675 x \$ 8.11	\$ 127,124	
NEW MONTHLY BILLING CHARGE		
112 x \$ 3.19 x 12	<u>4,287</u>	<u>(131,411)</u>
		<u>\$ 61,050</u>

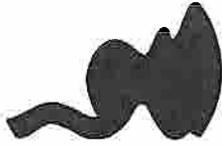
MONTHLY METER CHARGE = $\frac{\$61,050}{223 \times 12} = \underline{\underline{\$ 22.81 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 22.81	\$ 3.19	\$ 26.00	\$ 20.18
1"	1.7778	40.55	3.19	43.74	33.25
1 1/4"	2.7778	63.36	3.19	66.55	50.05
1 1/2"	4.0000	91.24	3.19	94.43	70.58
2"	7.1111	162.20	3.19	165.39	122.85
3"	16.0000	364.96	3.19	368.15	272.18
4"	28.4444	648.82	3.19	652.01	481.25
6" and over	64.0000	1,459.84	3.19	1,463.03	1,078.58

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2008

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 25,535

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December 21, 2007

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

Dear Ms. Way:

The "2007 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 8, 2007, followed by a thirty-day comment period.

On December 18, 2007, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2008. A certified copy of the resolution and the approved rate schedule for Wright Township are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,

A handwritten signature in cursive script that reads "Mary Therese Hegarty".

Mary Therese Hegarty
City Clerk

MTH/slp

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

RECEIVED

DEC 21 2007

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

MONTHLY REU CHARGE:

$$\frac{\text{SYSTEM REVENUE REQUIREMENTS **}}{\text{TOTAL REU'S * 12 MONTHS}} = \frac{\$223,718}{357.937 \times 12} = \$ \underline{\underline{52.09}} \quad \text{MONTHLY REU CHARGE *}$$

SYSTEM REVENUE REQUIREMENTS ARE NET OF CONTRIBUTION OF \$ 50,000

EXAMPLES OF APPROXIMATE MONTHLY CHARGE BY NUMBER OF REU:

<u>NUMBER OF REU</u>	<u>AMOUNT</u>	<u>NUMBER OF REU</u>	<u>AMOUNT</u>	<u>NUMBER OF REU</u>	<u>AMOUNT</u>
1.0000	\$ 52.09	7.5000	\$ 390.68	19.0000	\$ 989.71
1.5000	78.14	8.0000	416.72	20.0000	1,041.80
2.0000	104.18	8.5000	442.77	25.0000	1,302.25
2.5000	130.23	9.0000	468.81	30.0000	1,562.70
3.0000	156.27	9.5000	494.86	35.0000	1,823.15
3.5000	182.32	10.0000	520.90	40.0000	2,083.60
4.0000	208.36	11.0000	572.99	50.0000	2,604.50
4.4000	229.20	12.0000	625.08	60.0000	3,125.40
4.5000	234.41	13.0000	677.17	70.0000	3,646.30
5.0000	260.45	14.0000	729.26	80.0000	4,167.20
5.5000	286.50	15.0000	781.35	90.0000	4,688.10
6.0000	312.54	16.0000	833.44	100.0000	5,209.00
6.5000	338.59	17.0000	885.53	150.0000	7,813.50
7.0000	364.63	18.0000	937.62	200.0000	10,418.00

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

** REFLECTS RELIEF FROM CIRCUIT BREAKER, IN THE AMOUNT OF \$ 14,106

CITY CLERK



CITY OF GRAND RAPIDS

December 21, 2007

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

Dear Karen:

The "2007 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 8, 2007, followed by a thirty-day comment period.

On December 18, 2007, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2008. A certified copy of the resolution and the approved rate schedules for the City of East Grand Rapids are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,

A handwritten signature in cursive script that reads "Mary Therese Hegarty".

Mary Therese Hegarty
City Clerk

MTH/slp

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

RECEIVED

DEC 21 2007

MARY THERESE HEGARTY, CITY CLERK
300 MONROE, N.W., GRAND RAPIDS, MICHIGAN 49503
TELEPHONE (616) 456-3010 • FAX (616) 456-4607

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS	\$ 819,609
NEW COMMODITY CHARGE *	
615,670 x \$1.10 =	(677,237)
	<hr/>
	<u>\$ 142,372</u>

MONTHLY SERVICE CHARGE * = \$ 142,372 / 12 = \$11,864

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS	\$ 618,042
NEW COMMODITY CHARGE *	
470.257 x \$ 1,260.00 =	(592,524)
	<hr/>
	<u>\$ 25,518</u>

MONTHLY SERVICE CHARGE * = \$ 25,518 / 12 = \$2,127

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

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December 21, 2007

Ms. Deborah Ensing-Millhuff, Clerk
Ada Township
7330 Thornapple River Drive
P.O. Box 370
Ada, MI 49301

Dear Deborah:

The "2007 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 8, 2007, followed by a thirty-day comment period.

On December 18, 2007, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2008. 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,


Mary Therese Hegarty
City Clerk

MTH/slp

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

RECEIVED

DEC 21 2007

ADA TOWNSHIP

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

SYSTEM REVENUE REQUIREMENTS	\$ 1,242,844
NEW COMMODITY CHARGE *	
725,531 x \$1.17 =	(848,871)
	<hr/>
	<u>\$ 393,973</u>

MONTHLY SERVICE CHARGE * = \$393,973 / 12 = \$32,831

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

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

SYSTEM REVENUE REQUIREMENTS	\$ 546,051
NEW COMMODITY CHARGE *	
316.064 x \$ 1,496.00 =	(472,832)
	<hr/>
	<u>\$ 73,219</u>

MONTHLY SERVICE CHARGE * = \$ 73,219 / 12 = \$6,102

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

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December 21, 2007

Mr. Ron Landis
North Kent Sewage Disposal System
Kent County Dept. of Public Works
1500 Scribner NW
Grand Rapids, MI 49504

Dear Mr. Landis:

The "2007 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 8, 2007, followed by a thirty-day comment period.

On December 18, 2007, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2008. A certified copy of the resolution and the approved sewer rate schedule for the North Kent System are attached for your information.

If you need any further information, please call me at 456-3015.

Sincerely,


Mary Therese Hegarty
City Clerk

MTH/slp

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

RECEIVED

DEC 21 2007

MARY THERESE HEGARTY, CITY CLERK
300 MONROE, N.W., GRAND RAPIDS, MICHIGAN 49503
TELEPHONE (616) 456-3010 • FAX (616) 456-4607

NORTH KENT

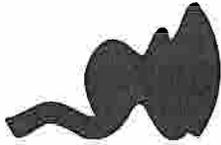
**SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
RATE ANALYSIS - TASK NO. 27**

SYSTEM REVENUE REQUIREMENTS	\$ 2,020,448
NEW COMMODITY CHARGE *	
1,487.393 x \$ 1,054.00 =	(1,567,712)
	<hr/>
	<u>\$ 452,736</u>

MONTHLY SERVICE CHARGE * = \$452,736 / 12 = \$37,728

* NEW RATES EFFECTIVE ON JANUARY 1, 2008 THROUGH OCTOBER 31, 2008

CITY CLERK



CITY OF GRAND RAPIDS

December 21, 2007

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

Dear Crystal:

The "2007 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 8, 2007, followed by a thirty-day comment period.

On December 18, 2007, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2008. 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,

Mary Therese Hegarty
City Clerk

MTH/slp

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

RECEIVED

DEC 21 2007

MARY THERESE HEGARTY, CITY CLERK
300 MONROE, N.W., GRAND RAPIDS, MICHIGAN 49503
TELEPHONE (616) 456-3010 • FAX (616) 456-4607

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

SYSTEM REVENUE REQUIREMENTS	\$ 133,674
NEW COMMODITY CHARGE *	
106.535 x \$ 1,054.00 =	(112,288)
	<hr/>
	<u>\$ 21,386</u>

MONTHLY SERVICE CHARGE * = \$ 21,386 / 12 = \$1,782

* NEW RATES EFFECTIVE ON JANUARY 1, 2008



December 21, 2007

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 "2007 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 8, 2007, followed by a thirty-day comment period.

On December 18, 2007, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2008. 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,


Mary Therese Hegarty
City Clerk

MTH/slp

Enclosures

cc: Scott Buhner, Assistant to the City Manager, Fiscal Services
Mike Wolski, Utility Financial Officer

RECEIVED

DEC 21 2007

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

SYSTEM REVENUE REQUIREMENTS		\$ 1,132,026
NEW COMMODITY CHARGE *		
957,336 x \$1.18 =		(1,129,656)
		<hr/>
		<u>\$ 2,370</u>

MONTHLY SERVICE CHARGE * = \$ 2,370 / 12 = \$198

* NEW RATES EFFECTIVE ON JANUARY 1, 2008

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