

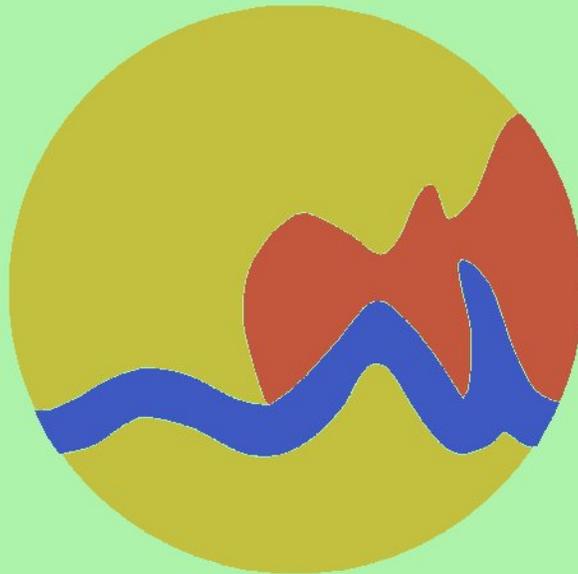
memo

To: All Users

From: City of Grand Rapids

Subject: **2006 WATER-SEWER RATE STUDY**

Attached for your review is the **FINAL** 2006 Water-Sewer Rate Study



Cc: Utility Advisory Board

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: January 31, 2007

TO: Eric DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: **2006 FINAL WATER/SEWER RATE REVIEW- CALENDAR YEAR 2007 RATES**

The is the final report for water and sewer rates effective as of January 1, 2007 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. In addition, it has been amended from prior years to include circuit breaker provisions provided for in the third amendment to the uniform service agreements. 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. This established \$116,424 to support the ICB, a 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 retail service area revenue requirement changes to a level in line with the overall systems' initial proposed changes, i.e., the City and Customer Community Circuit Breaker. Sufficient funds were available to achieve that goal and relief was provided to Grand Rapids, Walker and Grand Rapids Township.

The 2007 water rates reflect increases for Lake Michigan Filtration Plant improvements, personal service costs, mainframe computer services, utilities, decreased integrated connection fees and elimination of the penalty fee credit for implementing circuit breaker provisions, which are virtually offset by increased billed volume. Sewer rates for 2007 reflect increases for Market Avenue Pumping Station (MAPS) improvements, Indian Mill Creek (IMC) sewer project work, personal service costs, decreased integrated connection fees and elimination of the penalty fee credit for implementing circuit breaker provisions, which are partially offset by decreases in contractual payments and allocation of support services.

Overall revisions for the water and sewer systems are as follows:

1. Water Supply System revenue requirements increased by \$248,278 or 0.63% more than revenues generated by existing rates and charges.

2. Sewage Disposal System revenue requirements increased by \$1,804,101 or 4.94% more than revenues generated by existing rates and charges.

Attached is a schedule of comparative 2006/2007 water/sewer quarterly billings based on system consumption averages for a typical domestic user in Grand Rapids and retail customer communities. The schedule also includes a comparison of the approximate 2006/2007 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 2007 water and sewer rates to our UAB partners and other customer communities was made on Thursday, November 9, 2006. Concurrence of customer community rates by the City Commission was approved by resolution (#75780) on December 19, 2006.

Public hearings for water and sewer rates and charges in Grand Rapids were held on December 5, 2006. The City Commission resolved (#75747 & #75748) final adoption of water and sewer rate ordinances (2006-81 & 2006-82) on December 19, 2006.

MW

Attachment

Wsrs\06Final-Cover Memo

**CITY OF GRAND RAPIDS, MICHIGAN
2006 FINAL WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON DOMESTIC USERS
BY CUSTOMER COMMUNITY *
January 31, 2007**

	<u>APPROXIMATE QUARTERLY BILL</u>		<u>CHANGE</u>	
	<u>2006</u>	<u>2007</u>	<u>DOLLARS</u>	<u>PERCENT</u>
GRAND RAPIDS				
WATER	\$ 71.40	\$ 72.64	\$ 1.24	1.74%
SEWER	66.95	71.40	4.45	6.65%
	<u>\$ 138.35</u>	<u>\$ 144.04</u>	<u>\$ 5.69</u>	4.11%
BASE RATIO	1.00	1.00		
WALKER				
WATER	\$ 73.80	\$ 74.92	\$ 1.12	1.52%
SEWER	69.32	74.05	4.73	6.82%
	<u>\$ 143.12</u>	<u>\$ 148.97</u>	<u>\$ 5.85</u>	4.09%
RATIO TO GR	1.03	1.03		
KENTWOOD				
WATER	\$ 86.87	\$ 86.81	\$ (0.06)	-0.07%
SEWER	42.29	43.67	1.38	3.26%
	<u>\$ 129.16</u>	<u>\$ 130.48</u>	<u>\$ 1.32</u>	1.02%
RATIO TO GR	0.93	0.91		
CASCADE TWP- Sewer contribution of \$183,700 for 2006				
WATER	\$ 121.58	\$ 119.34	\$ (2.24)	-1.84%
SEWER	92.81	96.02	3.21	3.46%
	<u>\$ 214.39</u>	<u>\$ 215.36</u>	<u>\$ 0.97</u>	0.45%
RATIO TO GR	1.55	1.50		
GRAND RAPIDS TWP				
WATER	\$ 93.08	\$ 94.50	\$ 1.42	1.53%
SEWER	80.87	86.21	5.34	6.60%
	<u>\$ 173.95</u>	<u>\$ 180.71</u>	<u>\$ 6.76</u>	3.89%
RATIO TO GR	1.26	1.25		
TALLMADGE TWP				
WATER	\$ 142.95	\$ 133.32	\$ (9.63)	-6.74%
SEWER	180.86	177.20	(3.66)	-2.02%
	<u>\$ 323.81</u>	<u>\$ 310.52</u>	<u>\$ (13.29)</u>	-4.10%
RATIO TO GR	2.34	2.16		

* THE COMPARISONS ABOVE ARE BASED ON SYSTEM AVERAGE DOMESTIC CUSTOMER
 QUARTERLY CONSUMPTION OF : WATER- 29.00 UNITS OR 21,692 GALLONS
 SEWER - 19.00 UNITS OR 14,212 GALLONS
 NO. OF MONTHS: 3

Note: The average water consumption depicted above reflects an increase of three (3) units from last year's rate study. (The average quarterly consumption for water & sewer last year was 26 and 19 units, respectively).

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

WRIGHT TWP- Contribution of \$5,570 for 2006 and \$8,000 for 2007

SEWER (No. of REU 1.00)	<u>\$ 147.24</u>	<u>\$ 146.31</u>	<u>\$ (0.93)</u>	-0.63%
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**CITY OF GRAND RAPIDS, MICHIGAN
2006 FINAL WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON WHOLESALE USERS
January 31, 2007**

	<u>2006</u>	<u>2007</u>	<u>PERCENTAGE CHANGE</u>
EAST GRAND RAPIDS			
WATER - SERVICE (MONTHLY)	\$ 14,497.00	\$ 12,812.00	-11.62%
- COMMODITY (100 CF)	1.01	1.01	0.00%
SEWER - SERVICE (MONTHLY)	1,981.00	1,802.00	-9.04%
- COMMODITY (MG)	1,112.00	1,108.00	-0.36%
ADA TWP			
WATER - SERVICE	\$ 31,992.00	\$ 29,978.00	-6.30%
- COMMODITY	1.09	1.09	0.00%
SEWER - SERVICE	5,841.00	5,288.00	-9.47%
- COMMODITY	1,280.00	1,295.00	1.17%
OTTAWA COUNTY			
WATER - SERVICE	\$ -	\$ -	N/A
- COMMODITY	1.13	1.11	-1.77%
NORTH KENT AREA			
SEWER - SERVICE	\$ 24,554.00	\$ 36,374.00	48.14%
- COMMODITY	1,047.00	1,047.00	0.00%
GAINES TWP			
SEWER - SERVICE	\$ 1,512.00	\$ 1,423.00	-5.89%
- COMMODITY	1,047.00	1,047.00	0.00%
MEIJER - ALGOMA			
SEWER - SERVICE	\$ 78.00	\$ 205.00	162.82%
- COMMODITY	1,619.00	1,411.00	-12.85%

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

Table of Contents

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

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

Table of Contents

<u>Task No.</u>		<u>Page</u>
1	Inventory of Plant and Equipment	S 1
2	Cost of Plant and Equipment	S 1
3	Source of Funding for Plant and Equipment	S 1
4	Operating Costs for the Test Period	S 2
5	Adjustments to Operating Costs	S 4
6	Sewer Volumes and Revenues	S18
7	Other Operating Revenues	S21
8	Changes in Operating Levels	S22
9	Changes in Operating Revenues	S23
10	System Additions and Retirements	S24
11	Fixed Assets-Cost, Accumulated Depreciation & Depreciation	S25
12	Working Capital Needs	S26
13	Joint Use Facilities-Zonegated	S27
14	Update Sewer Map	S32
15	Construction Cost Rate Base	S33
15a	Integrated Sewer Connection Fees	S34
16	CSO Debt Service Requirements	S38
16A	Future Non-Integrated Improvements	S39
17	Tabulation of Bonds	S40
18	Sewer System Equity	S41
19	Rate of Return-Bond Buyer's Index	S42
20	Composite Rate of Return	S43
21	Rate of Return by Governmental Entity	S44
22	Adjusted Operating Cost by Government Entity-Zonegated	S50
23	Other Operating Revenues by Governmental Entity	S51
24	Depreciation Expense by Governmental Entity	S52
25	Revenue Requirement Summary by Governmental Entity	S53
25a	Revenue Requirements-Bond Ordinance Provision	S54
26	Comparative Summary of System Revenue Levels	S56
26 / 27	Revenue Levels / Rate Schedules by Governmental Entity	S58
28	Front Foot Charges	S83
29	Sewer Lateral Charges	S84
30	Surcharges for BOD, TSS, Phosphorus & Ammonia	S85
31	Industrial Pretreatment Permit & Laboratory Fees	S90
32	Sanitary Sewer Oversizing	S98
33	Utility Service District Areas	S99
34	Circuit Breaker- Individual and City & Customer Community	S100

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

Table of Contents

<u>Description</u>	<u>Page</u>
Introduction of Grand Rapids Rate Ordinances	1
Notice of Public Hearing	13
Public Hearing - Grand Rapids Rate Ordinances	14
Final Adoption of Grand Rapids Rate Ordinances	16
Kent County Board of Public Works (KCBPW) Inquiry	24
Grand Rapids Response to KCBPW	26
Introduction of Resolution Approving Customer Community Rates	30
Wright Township- Sewer Contribution	33
Approval of Customer Community Rates	35

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**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 SYSTEM ADDITIONS AND IMPROVEMENTS
 FOR THE YEAR ENDED JUNE 30, 2006
 TASKS NO. 1, 2, & 3**

COMMUNITY	LOCAL		INTERMEDIATE		PRIMARY		TOTALS	
	FEET	MILES	FEET	MILES	FEET	MILES	FEET	MILES
Grand Rapids								
Construction	15,642	2.96		0.00		0.00	15,642	2.96
Abandonment	(11,865)	(2.25)		0.00		0.00	(11,865)	(2.25)
CSO Construction	7,361	1.39	9,856	1.87	376	0.07	17,593	3.33
CSO Abandonment	(12,363)	(2.34)	(5,127)	(0.97)	(98)	(0.02)	(17,588)	(3.33)
	(1,225)	(0.24)	4,729	0.90	278	0.05	3,782	0.71
Kentwood								
Construction	13,178	2.50	5,007	0.95	70	0.01	18,255	3.46
Abandonment		0.00		0.00		0.00	0	0.00
	13,178	2.50	5,007	0.95	70	0.01	18,255	3.46
Cascade Twp.								
Construction	5,739	1.09	9,290	1.76		0.00	15,029	2.85
Abandonment		0.00		0.00		0.00	0	0.00
	5,739	1.09	9,290	1.76	0	0.00	15,029	2.85
G.R. Twp.								
Construction	4,113	0.78	(42)	(0.01)		0.00	4,071	0.77
Abandonment		0.00		0.00		0.00	0	0.00
	4,113	0.78	(42)	(0.01)	0	0.00	4,071	0.77
Tallmadge Twp.								
Construction	2,549	0.48	3	0.00		0.00	2,552	0.48
Abandonment		0.00		0.00		0.00	0	0.00
	2,549	0.48	3	0.00	0	0.00	2,552	0.48
Walker								
Construction	4,962	0.94	2,496	0.47		0.00	7,458	1.41
Abandonment		0.00	(125)	(0.02)		0.00	(125)	(0.02)
	4,962	0.94	2,371	0.45	0	0.00	7,333	1.39
TOTAL	29,316	5.55	21,358	4.05	348	0.06	51,022	9.66

WATER COSTS

COMMUNITY	COMMUNITY COST
Grand Rapids	\$ 275,810
Kentwood	1,040,738
Cascade Twp.	955,714
Grand Rapids Twp.	182,446
Tallmadge Twp.	146,841
Walker	410,353
TOTAL	\$ 3,011,902

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
OPERATING EXPENSE ALLOCATION BY COST CENTER - TASK #4, PART 1
FISCAL YEAR ENDED JUNE 30, 2006**

ACTIVITY CODE	ACTIVITY	EXPENSE BY ACTIVITY	PUMPING STATIONS			WATERMAINS			RETAIL CUSTOMER METERING	ENGIN. SERVICES	ADMIN. EXPENSE
			PRIMARY	INTERM.	PRIMARY TRANSPORT	INTERMED. TRANSPORT	LOCAL DISTRIBUTION				
0430	TREASURER-CUSTOMER SERVICE	\$ 195,701						\$ 195,701			
4312	WATER-CUSTOMER SERVICE *	3,158,294						3,158,294			
4315	ENGINEERING	1,298,405							1,298,405		
4320	COLDBROOK CONTROL	1,371,846	1,371,846								
4322	COLDBROOK DISTRIBUTION	2,212,790	632,601	1,580,189							
4331	FIELD OPERATIONS	6,996,872			330,602	1,761,742	4,904,528				
4342	FILTRATION	6,558,183		6,558,183							
	SUBTOTAL OPERATING EXPENSE	21,792,091	2,004,447	1,580,189	330,602	1,761,742	4,904,528	3,353,995	1,298,405	-	
4311	ADMINISTRATION	2,940,530								2,940,530	
	TOTAL	\$ 24,732,621	\$ 2,004,447	\$ 1,580,189	\$ 330,602	\$ 1,761,742	\$ 4,904,528	\$ 3,353,995	\$ 1,298,405	\$ 2,940,530	

* 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%	28.590%	71.410%						
4331	FIELD OPERATIONS	100.000%	4.725%	25.179%						
	TOTAL MILES OF MAIN	1,143.29	54.02	287.87						
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, 2006**

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	\$ 6,558,183	\$ 6,558,183																
PUMPING STATIONS:																		
A. PRIMARY TRANSPORT	2,004,447	2,004,447																
B. INTERMEDIATE TRANSPORT	1,580,189		1,301,207	37,353	241,629													
WATERMAINS:																		
A. PRIMARY TRANSPORT	330,602		272,707	19,707	27,906													
B. INTERMEDIATE TRANSPORT	1,761,742		673,566	361,316	327,173	10,282												
C. LOCAL DISTRIBUTION	4,904,528		3,656,031	373,823	323,699	258,027	147,370	282,305	20,313	10,643								
RETAIL CUSTOMER METERING	3,353,995		2,569,932	262,282	215,662	138,822	161,059	6,238										
SUBTOTAL OPERATING EXPENSE	20,493,686	8,562,630	8,473,443	1,054,481	1,136,069	639,135	590,734	37,194										
ENGINEERING SERVICES	1,298,405	542,486	536,852	66,803	71,984	40,497	37,433	2,350										
ADMINISTRATIVE EXPENSE	2,940,530	1,169,554	1,250,336	159,263	168,896	97,410	89,378	5,693										
TOTAL	\$ 24,732,621	\$ 10,274,670	\$ 10,260,631	\$ 1,280,547	\$ 1,376,949	\$ 777,042	\$ 717,545	\$ 45,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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%	82.345%	2.364%	15.291%													
MEMO																		
WATERMAINS																		
TOTAL MILES:	1,143.29																	
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			38.233%	20.509%	18.571%	13.169%	8.365%	1.153%										
MILES	287.87		110.06	59.04	53.46	37.91	24.08	3.32										
C. LOCAL DISTRIBUTION			74.544%	7.622%	6.600%	5.261%	5.756%	0.217%										
MILES	801.40		597.40	61.08	52.89	42.16	46.13	1.74										
RETAIL CUSTOMER METERING (1)	79,194.00		76.623%	7.820%	6.430%	4.139%	4.802%	0.186%										
NUMBER OF METERS			60,661.00	6,193.00	5,092.00	3,278.00	3,803.00	147.00										
ENGINEERING SERVICES (2)			41.347%	5.145%	5.544%	3.119%	2.883%	0.181%										
ADMINISTRATIVE EXPENSE (3)			42.521%	5.416%	5.744%	3.313%	3.040%	0.194%										

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, 2006**

ACTIVITY CODE	ACTIVITY	ADJUSTED EXPENSE BY ACTIVITY	PUMPING STATIONS		WATERMAINS		RETAIL CUSTOMER METERING	ENGIN. SERVICES	ADMIN. EXPENSE
			FILTRATION PLANT	PRIMARY	INTERM.	PRIMARY TRANSPORT			
0430	TREASURER-CUSTOMER SERVICE	\$ 203,116					\$ 203,116		
4312	WATER-CUSTOMER SERVICE *	3,240,098					3,240,098		
4315	ENGINEERING	1,359,665					1,359,665		
4320	COLDBROOK CONTROL	1,423,396	1,423,396						
4322	COLDBROOK DISTRIBUTION	2,244,372	641,630	1,602,742					
4331	FIELD OPERATIONS	7,134,105			337,086	1,796,296			
4342	FILTRATION	6,756,382	6,756,382						
	SUBTOTAL OPERATING EXPENSE	22,361,134	2,065,026	1,602,742	337,086	1,796,296	3,443,214	1,359,665	2,840,919
4311	ADMINISTRATION	2,840,919							2,840,919
	TOTAL	\$ 25,202,053	\$ 2,065,026	\$ 1,602,742	\$ 337,086	\$ 1,796,296	\$ 3,443,214	\$ 1,359,665	\$ 2,840,919

* 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%	28.590%	71.410%					
4331	FIELD OPERATIONS	100.000%			4.725%	25.179%	70.096%		
	TOTAL MILES OF MAIN	1,143.29			54.02	287.87	801.40		
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, 2006**

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	\$ 6,756,382	\$ 6,756,382											
PUMPING STATIONS:													
A. PRIMARY TRANSPORT	2,065,026	2,065,026											
B. INTERMEDIATE TRANSPORT	1,602,742		1,319,779	37,886	245,077								
WATERMAINS:													
A. PRIMARY TRANSPORT	337,086		278,056	20,094	28,453	10,483							
B. INTERMEDIATE TRANSPORT	1,796,296		686,779	368,402	333,590	236,554	150,260	20,711					
C. LOCAL DISTRIBUTION	5,000,723		3,727,738	381,155	330,048	263,088	287,842	10,852					
RETAIL CUSTOMER METERING	3,443,214		2,638,294	269,259	221,399	142,515	165,343	6,404					
SUBTOTAL OPERATING EXPENSE	21,001,469	8,821,408	8,650,646	1,076,796	1,158,567	652,640	603,445	37,967					
ENGINEERING SERVICES	1,359,665	571,100	560,060	69,710	75,013	42,258	39,063	2,461					
ADMINISTRATIVE EXPENSE	2,840,919	1,133,927	1,204,939	153,652	162,645	94,007	86,237	5,512					
TOTAL	\$ 25,202,053	\$ 10,526,435	\$ 10,415,645	\$ 1,300,158	\$ 1,396,225	\$ 788,905	\$ 728,745	\$ 45,940	\$ -	\$ -	\$ -	\$ -	\$ -

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%	82.345%	2.364%	15.291%								
MEMO													
WATERMAINS													
TOTAL MILES:	1,143.29												
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			38.233%	20.509%	18.571%	13.169%	8.365%	1.153%					
MILES	287.87		110.06	59.04	37.91	24.08	24.08	3.32					
C. LOCAL DISTRIBUTION			74.544%	7.622%	6.600%	5.261%	5.756%	0.217%					
MILES	801.40		597.40	61.08	52.89	42.16	46.13	1.74					
RETAIL CUSTOMER METERING (1)			76.623%	7.820%	6.430%	4.139%	4.802%	0.186%					
NUMBER OF METERS	79,194.00		60,681.00	6,193.00	5,092.00	3,278.00	3,803.00	147.00					
ENGINEERING SERVICES (2)			41.191%	5.127%	5.517%	3.108%	2.873%	0.181%					
ADMINISTRATIVE EXPENSE (3)			42.414%	5.409%	5.725%	3.309%	3.036%	0.194%					

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

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2006
 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		\$ 54,495.19	\$ 54,495.19
706	PERMANENT EMPLOYEES	527,280.16	7,909.20	535,189.36
709	TIME & ONE-HALF	641.20	9.62	650.82
710	ACT.ASSIGNMENT	599.71	9.00	608.71
715	EMPLOYERS SOCIAL SECURITY	38,763.02	581.45	39,344.47
717	SPECIAL PENSION BENEFITS	21,674.13	-	21,674.13
718	SICK PAY ALLOWANCE	26.03	0.39	26.42
719	HOSPITALIZATION INSURANCE	76,569.42	(13,935.63)	62,633.79
721	LONGEVITY PAY	6,512.33	-	6,512.33
722	RETIREMENT FUND CONTRIBUTION	64,364.32	1,609.11	65,973.43
723	VACATION PAY	260.72	3.91	264.63
	TOTAL PERSONAL SERVICES	<u>736,691.04</u>	<u>50,682.24</u>	<u>787,373.28</u>
728	SUPPLIES	919.00	-	919.00
	TOTAL SUPPLIES	<u>919.00</u>	<u>-</u>	<u>919.00</u>
810	BAD DEBT WRITE-OFFS	6,444.20	-	6,444.20
814	COMPUTER SERVICES	318,431.04	-	318,431.04
818	CONTRACTUAL SERVICES	15,648.52	-	15,648.52
835	FEES	401.74	-	401.74
872	PROFESSIONAL DEVELOPMENT	10,290.39	-	10,290.39
873	OTHER TRAVEL AND TRAINING	12,114.68	-	12,114.68
874	LOCAL BUSINESS EXPENSE	825.38	-	825.38
875	MEMBERSHIPS	44,579.37	-	44,579.37
876	PUBLICATIONS AND SUBSCRIPTIONS	4,361.04	-	4,361.04
880	COMMUNITY PROMOTION	148.68	-	148.68
912	CLAIMS	18,356.61	-	18,356.61
919	INSURANCE PREMIUMS	247,230.00	-	247,230.00
928	TELEPHONE	8,307.57	-	8,307.57
945	LAND RENTAL OR LEASE	1,452.67	-	1,452.67
947	VEHICLE RENTAL/CAR MILEAGE	3,320.50	-	3,320.50
	TOTAL OTHER SERVICES & CHARGES	<u>691,912.39</u>	<u>-</u>	<u>691,912.39</u>
982	EQUIPMENT	9,250.00	-	9,250.00
	TOTAL CAPITAL	<u>9,250.00</u>	<u>-</u>	<u>9,250.00</u>
999	OPERATING TRANSFERS OUT	1,501,758.00	(150,294.00)	1,351,464.00
	TOTAL TRANSFERS/FEES	<u>1,501,758.00</u>	<u>(150,294.00)</u>	<u>1,351,464.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,940,530.43</u>	<u>\$ (99,611.76)</u>	<u>\$ 2,840,918.67</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2006
 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		227,743.18	227,743.18
706	PERMANENT EMPLOYEES	2,202,382.43	33,035.74	2,235,418.17
707	TEMPORARY EMPLOYEES	81,447.59	1,221.71	82,669.30
708	SHIFT DIFFERENTIAL	937.66	-	937.66
709	TIME & ONE-HALF	100,800.43	1,512.01	102,312.44
710	ACT.ASSIGNMENT	7,816.51	117.25	7,933.76
715	EMPLOYERS SOCIAL SECURITY	184,419.75	2,766.30	187,186.05
718	SICK PAY ALLOWANCE	727.10	10.91	738.01
719	HOSPITALIZATION INSURANCE	716,043.54	(130,319.92)	585,723.62
721	LONGEVITY PAY	28,430.52	-	28,430.52
722	RETIREMENT FUND CONTRIBUTION	363,215.18	9,080.38	372,295.56
	TOTAL PERSONAL SERVICES	<u>3,686,220.71</u>	<u>145,167.56</u>	<u>3,831,388.27</u>
728	SUPPLIES	47,253.48	-	47,253.48
730	POSTAGE	199,189.59	-	199,189.59
	TOTAL SUPPLIES	<u>246,443.07</u>	<u>-</u>	<u>246,443.07</u>
814	COMPUTER SERVICES	1,044,271.04	-	1,044,271.04
818	CONTRACTUAL SERVICES	370,539.45	11,562.00	382,101.45
828	MEDICAL/SUPPORTIVE SERVICES	6,641.90	-	6,641.90
835	FEES	4.00	-	4.00
873	OTHER TRAVEL AND TRAINING	13.77	-	13.77
875	MEMBERSHIPS	591.00	-	591.00
876	PUBLICATIONS AND SUBSCRIPTIONS	1,003.60	-	1,003.60
880	COMMUNITY PROMOTION	9,671.58	-	9,671.58
900	PRINTING & PUBLISHING	2,989.00	-	2,989.00
928	TELEPHONE	16,361.96	-	16,361.96
930	MAINTENANCE REPAIR	446,338.79	-	446,338.79
943	EQUIPMENT RENTALS OR LEASE	113,762.17	-	113,762.17
947	VEHICLE RENTAL/CAR MILEAGE	8,696.90	-	8,696.90
	TOTAL OTHER SERVICES & CHARGES	<u>2,020,885.16</u>	<u>11,562.00</u>	<u>2,032,447.16</u>
976	BLD. ADDITIONS/IMPROVEMENTS	325.00	-	325.00
981	FURNITURE	2,679.00	-	2,679.00
982	EQUIPMENT	18,674.32	-	18,674.32
	TOTAL CAPITAL	<u>21,678.32</u>	<u>-</u>	<u>21,678.32</u>
999	OPERATING TRANSFERS OUT	75,800.00	-	75,800.00
	TOTAL TRANSFERS/FEES	<u>75,800.00</u>	<u>-</u>	<u>75,800.00</u>
	ORGANIZATIONAL UNIT TOTAL (GROSS)	\$ 6,051,027.26	\$ 156,729.56	\$ 6,207,756.82
	LESS: SDSF CONTRIBUTION *	(2,892,733.09)	(74,925.59)	(2,967,658.68)
	ORGANIZATIONAL UNIT TOTAL (NET)	<u>\$ 3,158,294.17</u>	<u>\$ 81,803.97</u>	<u>\$ 3,240,098.14</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, 2006
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		\$ 75,868.43	\$ 75,868.43
706	PERMANENT EMPLOYEES	737,895.01	11,068.43	748,963.44
707	TEMPORARY EMPLOYEES	38,183.71	572.76	38,756.47
709	TIME & ONE-HALF	884.81	13.27	898.08
710	ACT.ASSIGNMENT	1,419.74	21.30	1,441.04
712	UNEMPLOYMENT COMPENSATION	1,567.50	-	1,567.50
715	EMPLOYERS SOCIAL SECURITY	59,293.03	889.40	60,182.43
719	HOSPITALIZATION INSURANCE	166,103.85	(30,230.90)	135,872.95
721	LONGEVITY PAY	5,195.88	-	5,195.88
722	RETIREMENT FUND CONTRIBUTION	122,297.11	3,057.43	125,354.54
	TOTAL PERSONAL SERVICES	<u>1,132,840.64</u>	<u>61,260.12</u>	<u>1,194,100.76</u>
728	SUPPLIES	7,886.60	-	7,886.60
	TOTAL SUPPLIES	<u>7,886.60</u>	<u>-</u>	<u>7,886.60</u>
818	CONTRACTUAL SERVICES	29,525.13	-	29,525.13
928	TELEPHONE	5,732.71	-	5,732.71
930	MAINTENANCE REPAIR	644.25	-	644.25
943	EQUIPMENT RENTALS OR LEASE	53,239.77	-	53,239.77
947	VEHICLE RENTAL/CAR MILEAGE	2,112.00	-	2,112.00
	TOTAL OTHER SERVICES & CHARGES	<u>91,253.86</u>	<u>-</u>	<u>91,253.86</u>
999	OPERATING TRANSFERS OUT	66,423.91	-	66,423.91
	TOTAL TRANSFERS/FEES	<u>66,423.91</u>	<u>-</u>	<u>66,423.91</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 1,298,405.01</u>	<u>\$ 61,260.12</u>	<u>\$ 1,359,665.13</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2006
 RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 4320- COLDBROOK CONTROL

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST FACTORS	CURRENT ANNUAL EXPENSES
703	RETIREE HEALTH CARE		\$ 82,356.42	\$ 82,356.42
706	PERMANENT EMPLOYEES	797,738.65	11,966.08	809,704.73
708	SHIFT DIFFERENTIAL	8,158.15	-	8,158.15
709	TIME & ONE-HALF	24,236.61	363.55	24,600.16
710	ACT.ASSIGNMENT	320.15	4.80	324.95
714	REGULAR HOURLY RATE	4,057.27	60.86	4,118.13
715	EMPLOYERS SOCIAL SECURITY	63,116.12	946.74	64,062.86
719	HOSPITALIZATION INSURANCE	260,730.37	(47,452.93)	213,277.44
721	LONGEVITY PAY	8,947.52	-	8,947.52
722	RETIREMENT FUND CONTRIBUTION	132,177.95	3,304.45	135,482.40
	TOTAL PERSONAL SERVICES	<u>1,299,482.79</u>	<u>51,549.97</u>	<u>1,351,032.76</u>
728	SUPPLIES	7,491.51	-	7,491.51
768	CLOTHING/CLEANING ALLOWANCE	299.50	-	299.50
	TOTAL SUPPLIES	<u>7,791.01</u>	<u>-</u>	<u>7,791.01</u>
928	TELEPHONE	41,824.68	-	41,824.68
930	MAINTENANCE REPAIR	8,725.16	-	8,725.16
943	EQUIPMENT RENTALS OR LEASE	13,494.00	-	13,494.00
947	VEHICLE RENTAL/CAR MILEAGE	528.00	-	528.00
	TOTAL OTHER SERVICES & CHARGES	<u>64,571.84</u>	<u>-</u>	<u>64,571.84</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 1,371,845.64</u>	<u>\$ 51,549.97</u>	<u>\$ 1,423,395.61</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2006
 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	\$ -	\$ 51,462.68	\$ 51,462.68
706	PERMANENT EMPLOYEES	498,679.74	7,480.20	506,159.94
708	SHIFT DIFFERENTIAL	5.10	-	5.10
709	TIME & ONE-HALF	4,577.81	68.67	4,646.48
715	EMPLOYERS SOCIAL SECURITY	39,042.59	585.64	39,628.23
719	HOSPITALIZATION INSURANCE	165,452.27	(30,112.31)	135,339.96
721	LONGEVITY PAY	5,397.52	-	5,397.52
722	RETIREMENT FUND CONTRIBUTION	83,890.30	2,097.26	85,987.56
	TOTAL PERSONAL SERVICES	<u>797,045.33</u>	<u>31,582.14</u>	<u>828,627.47</u>
728	SUPPLIES	103,045.33	-	103,045.33
768	CLOTHING/CLEANING ALLOWANCE	1,303.00	-	1,303.00
	TOTAL SUPPLIES	<u>104,348.33</u>	<u>-</u>	<u>104,348.33</u>
814	COMPUTER SERVICES	18,641.04	-	18,641.04
921	ELECTRICITY	1,058,194.80	-	1,058,194.80
922	WATER	2,553.64	-	2,553.64
923	GAS	108,956.86	-	108,956.86
930	MAINTENANCE REPAIR	69,081.67	-	69,081.67
943	EQUIPMENT RENTALS OR LEASE	49,234.60	-	49,234.60
959	REFUSE COLLECTION CHARGES	4,733.58	-	4,733.58
	TOTAL OTHER SERVICES & CHARGES	<u>1,311,396.19</u>	<u>-</u>	<u>1,311,396.19</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,212,789.85</u>	<u>\$ 31,582.14</u>	<u>\$ 2,244,371.99</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2006
 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	\$ -	\$ 212,952.93	\$ 212,952.93
706	PERMANENT EMPLOYEES	2,061,977.05	30,929.66	2,092,906.71
707	TEMPORARY EMPLOYEES	40,962.98	614.44	41,577.42
708	SHIFT DIFFERENTIAL	1,499.43	-	1,499.43
709	TIME & ONE-HALF	303,327.70	4,549.92	307,877.62
710	ACT.ASSIGNMENT	1,157.18	17.36	1,174.54
712	UNEMPLOYMENT COMPENSATION	6,516.00	-	6,516.00
715	EMPLOYERS SOCIAL SECURITY	185,933.38	2,789.00	188,722.38
719	HOSPITALIZATION INSURANCE	676,125.65	(123,054.87)	553,070.78
721	LONGEVITY PAY	23,921.66	-	23,921.66
722	RETIREMENT FUND CONTRIBUTION	337,395.72	8,434.89	345,830.61
	TOTAL PERSONAL SERVICES	<u>3,638,816.75</u>	<u>137,233.33</u>	<u>3,776,050.08</u>
728	SUPPLIES/INVENTORY	25,531.54	-	25,531.54
730	POSTAGE	49.48	-	49.48
785	PAVEMENT REPAIR	1,257,580.37	-	1,257,580.37
	TOTAL SUPPLIES	<u>1,283,161.39</u>	<u>-</u>	<u>1,283,161.39</u>
814	COMPUTER SERVICES	15,251.04	-	15,251.04
818	CONTRACTUAL SERVICES	12,657.88	-	12,657.88
835	FEES	560.00	-	560.00
921	ELECTRICITY	65,742.98	-	65,742.98
922	WATER	503.25	-	503.25
923	GAS	24,223.85	-	24,223.85
928	TELEPHONE	21,189.40	-	21,189.40
930	MAINTENANCE REPAIR	969,996.16	-	969,996.16
943	EQUIPMENT RENTALS OR LEASE	692,129.37	-	692,129.37
947	VEHICLE RENTAL/CAR MILEAGE	2,640.00	-	2,640.00
952	CAPITAL CONTRIBUTIONS	270,000.00	-	270,000.00
	TOTAL OTHER SERVICES & CHARGES	<u>2,074,893.93</u>	<u>-</u>	<u>2,074,893.93</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 6,996,872.07</u>	<u>\$ 137,233.33</u>	<u>\$ 7,134,105.40</u>

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2006
 RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 4342- LAKE MI. FILTRATION

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST FACTORS	CURRENT ANNUAL EXPENSES
703	RETIREE HEALTH CARE	\$ -	\$ 229,849.58	\$ 229,849.58
706	PERMANENT EMPLOYEES	2,229,422.29	33,441.33	2,262,863.62
707	TEMPORARY EMPLOYEES	4,620.70	69.31	4,690.01
708	SHIFT DIFFERENTIAL	8,100.17	-	8,100.17
709	TIME & ONE-HALF	82,357.20	1,235.36	83,592.56
710	ACT.ASSIGNMENT	77.60	1.16	78.76
714	REGULAR HOURLY RATE	2,864.59	42.97	2,907.56
715	EMPLOYERS SOCIAL SECURITY	176,594.50	2,648.92	179,243.42
718	SICK PAY ALLOWANCE	90.00	1.35	91.35
719	HOSPITALIZATION INSURANCE	495,573.53	(90,194.38)	405,379.15
721	LONGEVITY PAY	21,923.48	-	21,923.48
722	RETIREMENT FUND CONTRIBUTION	364,162.32	9,104.06	373,266.38
	TOTAL PERSONAL SERVICES	3,385,786.38	186,199.66	3,571,986.04
728	SUPPLIES	601,136.56	-	601,136.56
730	POSTAGE	214.52	-	214.52
768	CLOTHING/CLEANING ALLOWANCE	1,399.50	-	1,399.50
	TOTAL SUPPLIES	602,750.58	-	602,750.58
814	COMPUTER SERVICES	33,891.96	-	33,891.96
818	CONTRACTUAL SERVICES	404,217.54	-	404,217.54
873	OTHER TRAVEL AND TRAINING	669.75	-	669.75
875	MEMBERSHIPS	475.00	-	475.00
921	ELECTRICITY	1,342,300.46	-	1,342,300.46
923	GAS	478,603.62	-	478,603.62
928	TELEPHONE	23,186.78	-	23,186.78
930	MAINTENANCE REPAIR	155,693.69	12,000.00	167,693.69
943	EQUIPMENT RENTALS OR LEASE	71,840.19	-	71,840.19
947	VEHICLE RENTAL/CAR MILEAGE	1,584.00	-	1,584.00
959	REFUSE COLLECTION CHARGES	1,860.77	-	1,860.77
	TOTAL OTHER SERVICES & CHARGES	2,514,323.76	12,000.00	2,526,323.76
982	EQUIPMENT	55,322.00	-	55,322.00
	TOTAL CAPITAL	55,322.00	-	55,322.00
	ORGANIZATIONAL UNIT TOTAL	\$ 6,558,182.72	\$ 198,199.66	\$ 6,756,382.38

**CITY OF GRAND RAPIDS, MICHIGAN
 WATER SUPPLY SYSTEM FUND
 ADJUSTED ACTUAL EXPENSE
 YEAR ENDED JUNE 30, 2006
 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	\$ -	\$ 9,730.98	\$ 9,730.98
706	PERMANENT EMPLOYEES	94,105.76	1,411.59	95,517.35
707	TEMPORARY EMPLOYEES	6,211.71	93.18	6,304.89
710	ACT.ASSIGNMENT	81.30	1.22	82.52
715	EMPLOYERS SOCIAL SECURITY	7,504.65	112.57	7,617.22
719	HOSPITALIZATION INSURANCE	23,793.27	(4,330.38)	19,462.89
721	LONGEVITY PAY	1,212.11	-	1,212.11
722	RETIREMENT FUND CONTRIBUTION	15,814.98	395.37	16,210.35
	TOTAL PERSONAL SERVICES	<u>148,723.78</u>	<u>7,414.53</u>	<u>156,138.31</u>
728	SUPPLIES	<u>3,353.84</u>	-	<u>3,353.84</u>
	TOTAL SUPPLIES	<u>3,353.84</u>	-	<u>3,353.84</u>
818	CONTRACTUAL SERVICES	5,082.60	-	5,082.60
835	FEES	28,978.05	-	28,978.05
928	TELEPHONE	644.55	-	644.55
930	MAINTENANCE REPAIR	1,722.25	-	1,722.25
942	BUILDINGS RENTALS OR LEASE	6,173.09	-	6,173.09
	TOTAL OTHER SERVICES & CHARGES	<u>42,600.54</u>	-	<u>42,600.54</u>
982	EQUIPMENT	<u>1,023.00</u>	-	<u>1,023.00</u>
	TOTAL CAPITAL	<u>1,023.00</u>	-	<u>1,023.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 195,701.16</u>	<u>\$ 7,414.53</u>	<u>\$ 203,115.69</u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2006

TO: Eric DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: 2006 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, 2006.

NON-INTEGRATED

4311- Administration	\$2,940,530
4312- Customer Services	6,246,728
4315- Engineering	1,298,405
4331- Field Operations	6,996,872

INTEGRATED

4342- Lake Mi. Filtration	6,558,183
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INTEGRATED & NON-INTEGRATED

4320- Coldbrook Control	1,371,846
4322- Coldbrook Distribution	2,212,790

Attached is the calculation of integrated and non-integrated adjusted expenses for Coldbrook Distribution (4322) for 2006.

MW

Attachment

wrs\wtask4 2006

ALLOCATION OF COLDBROOK PUMPING TO WATER PUMPING FACILITIES

<u>STATION</u>	<u>ENERGY COST</u>	<u>PERCENT</u>	<u>EXPENDITURE ALLOCATION</u>	
			<u>ACTUAL</u>	<u>ADJUSTED</u>
ALGER	\$ 42,257	4.00%	\$ 88,363	\$ 89,624
BOOSTER A	11,574	1.09%	24,202	24,548
BOOSTER D	28,661	2.71%	59,933	60,788
BRISTOL	17,863	1.69%	37,353	37,886
COLDBROOK	203,707	19.25%	425,971	432,052
COVELL	56,989	5.39%	119,170	120,870
EAST PARIS	115,551	10.92%	241,629	245,077
FRANKLIN	302,120	28.55%	631,763	640,780
LEFFINGWELL	35,588	3.36%	74,418	75,480
LIVINGSTON	121,436	11.48%	253,935	257,559
WILSON	42,803	4.04%	89,505	90,783
BURTON	56,011	5.29%	117,125	118,796
DEAN LAKE	23,635	2.23%	49,423	50,129
TOTAL	\$ 1,058,195	100.00%	\$ 2,212,790	\$ 2,244,372

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 18, 2006

TO: Mike Wolski
Utility Financial Officer

FROM: Scott Buhre 
Chief Financial Officer

SUBJECT: 2006 WATER RATE STUDY ANNUAL EXPENSE ADJUSTMENTS-TASK #5

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

Attachment

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OCT 19 2006

**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, 2006**

Sub-Object - 703

The factor to establish retiree health care cost for calendar year 2007 is 10.06%. The total of calendar year 2007's wages (sub-object 706) and longevity (sub-object 721) multiplied by this factor will establish the cost for calendar year 2007.

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

The wage increase factor to translate FY2006 actual costs to estimated calendar 2007 wages will be 1.5%. This wage increase estimate is based on contracts that began on 1/1/2006. Labor contracts expire on 12/31/06. Collective bargaining has not yet begun. Wage increase that may be effective as of 1/1/07 cannot be estimated.

Sub-Object - 715

Increase FY2006 actual FICA expense by 1.5% to account for the effect of the wage increases. Similar to wages, FICA expenses may or may not go up 1/1/07. The results of collective bargaining cannot be estimated.

Sub-Object - 719

Because FY2006 actuals include both active and retiree health costs, decrease FY2006 health insurance actual cost by 18.2% (multiply FY2006 actuals by 81.8%) to reflect changes for FY2007.

Sub-Object - 722

Increase FY2006 actual expense by 2.5% to reflect the effect of a general pension contribution rate and post 65 retiree contribution change from 16.74% to 16.91% and an estimated wage increase of 1.5% for FY2006, and a general pension contribution rate remaining at 16.91% with no increase in wages for FY2007.

Sub-Object - 999

Administration - Adjust FY2006 actual cost to reflect adjustments in charges for central services rendered by the Insurance Payment Fund and the General Operating Fund.

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: September 26, 2006

TO: Eric DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: 2006 WATER RATE STUDY- TASK #5

Known cost increases by which to adjust FY06 operating costs include fund carry-forwards for projects that were not completed prior to June 30, 2006, are as follows:

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
4312-818	Northrup Grumman Info	\$11,562
4342-930	CC Technologies	12,000

MW

wrs\wtask5 2006

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 9, 2006

TO: Eric DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: 2006 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, 2006, and volume comparisons for the past five (5) years by governmental unit and for the total system.

MW

Attachment

wrs\wtask6 2006

**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, 2006:

RETAIL:	SALES REVENUE			VOLUME BILLED
	A	B	C	(GALLONS)
CITY OF GRAND RAPIDS (1)	\$ 22,625,982.94		\$ 52,671.73	7,863,077,728
CITY OF WALKER	2,897,931.05			1,083,039,672
CITY OF KENTWOOD	3,926,379.56			1,412,532,176
CASCADE TOWNSHIP	2,896,934.17	36,720.00		726,395,516
GRAND RAPIDS TOWNSHIP	1,851,234.71	24,240.00		557,040,836
TALLMADGE TOWNSHIP	97,616.49	10,176.00		18,251,200
SUB-TOTAL RETAIL (2)	\$ 34,296,078.92	\$ 71,136.00	\$ 52,671.73	11,660,337,128
WHOLESALE:				
CITY OF E. GRAND RAPIDS	\$ 816,435.95			492,469,736
OTTAWA CO. (3)	1,380,124.44	1,536.00		778,964,956
ADA TOWNSHIP	1,077,228.07			495,042,856
SUB-TOTAL WHOLESALE	\$ 3,273,788.46	\$ 1,536.00	\$ -	1,766,477,548
TOTAL	\$ 37,569,867.38	\$ 72,672.00	\$ 52,671.73	13,426,814,676

REVENUE CLASSIFICATION:

A) 4311 - 642008 OTTAWA COUNTY WATER SALES	\$ 1,380,124.44
4311 - 642011 RETAIL METERED WATER SALES	34,284,355.66
4311 - 642012 E. GRAND RAPIDS WATER SALES	816,435.95
4311 - 642013 WYOMING WATER SALES	11,723.26
4311 - 642021 ADA WATER SALES	1,077,228.07
SUB-TOTAL	\$ 37,569,867.38
B) 4311 - 607048 FIRE HYDRANT BILLINGS	\$ 72,672.00
C) 4311 - 642024 UNMETERED WATER SALES	\$ 52,671.73
TOTAL	\$ 37,695,211.11

- (1) THE VOLUME & DOLLAR AMOUNT FOR THE CITY OF WYOMING ARE INCLUDED IN THE GRAND RAPIDS TOTALS.
- (2) A REVENUE ACCRUAL OF \$1,009,126 (+318,995,072 GALLONS) HAS BEEN PRORATED TO ALL RETAIL CUSTOMER COMMUNITIES TO ACCRUE BILLINGS FROM THE LAST READING DATE THROUGH JUNE 30, 2006.
- (3) THE VOLUME EXCLUDES BILLINGS (192,571 HCF) FOR THE SUPPLEMENTAL AGREEMENT, DATED 5/13/2004 (aka , NWS AGREEMENT), WITH OTTAWA FOR THE PERIOD JULY 1, 2005 TO JUNE 30, 2006.

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
2006 RATE STUDY TASK NO. 6**

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

MUNICIPALITY	FY02		FY03		FY04		FY05		FY06		FY02 - FY06 % CHANGE
	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	
GRAND RAPIDS	8,164,301	1.49%	8,286,321	-6.37%	7,758,545	-2.34%	7,412,265	-4.46%	7,863,078	6.08%	-3.69%
WALKER	919,799	9.69%	1,008,905	7.57%	985,279	-5.24%	1,082,569	-0.59%	1,083,040	0.04%	17.75%
KENTWOOD	1,210,691	14.10%	1,302,317	20.04%	1,234,019	-9.72%	1,226,745	1.81%	1,412,532	15.14%	16.67%
CASCADE TWP	597,721	20.04%	682,002	36.31%	615,680	-20.08%	626,819	15.55%	726,395	15.89%	21.53%
GRAND RAPIDS TWP	406,251	10.76%	487,681	11.84%	457,949	-23.91%	468,148	2.23%	557,041	18.99%	37.12%
TALLMADGE TWP	13,795	10.76%	15,280	36.31%	12,212	-20.08%	13,623	11.55%	18,251	33.97%	32.30%
EAST GRAND RAPIDS	431,522	11.84%	588,220	12.56%	447,559	-7.98%	517,026	15.52%	492,470	-4.75%	14.12%
OTTAWA COUNTY	560,402	12.56%	626,739	5.84%	576,716	-6.68%	676,916	17.37%	778,965	15.08%	39.00%
ADA TWP	374,898	12.56%	421,983	5.84%	435,365	3.17%	484,021	11.18%	495,043	2.28%	32.05%
TOTAL	12,679,380	5.84%	13,419,448	5.84%	12,523,324	-6.68%	12,508,132	-0.12%	13,426,815	7.34%	5.89%

VOLUME PUMPED
% BILLED TO PUMPED

15,164,000	14,713,000
88.5%	85.0%
89.0%	90.6%

GRAND RAPIDS VOLUME COMPARED TO
CUSTOMER COMMUNITIES

VOLUME = 1,000 GALLONS	FY03		FY04		FY05		FY06	
	VOL BILLED	% OF TOTAL						
GRAND RAPIDS	8,286,321	61.75%	7,758,545	61.95%	7,412,265	59.26%	7,863,078	58.56%
CUSTOMER COMMUNITIES	5,133,127	38.25%	4,764,779	38.05%	5,095,867	40.74%	5,563,737	41.44%
TOTAL	13,419,448	100.00%	12,523,324	100.00%	12,508,132	100.00%	13,426,815	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	\$ 9,450.00
4311-476010	PAVING PERMITS	90.00
4311-476012	TAPPING PERMITS	8,170.00
4311-607001	MISCELLANEOUS SERVICE FEES	2,145.00
4311-607027	INSPECTION FEES - UTILITIES	39,245.00
4311-607034	MONTHLY STATEMENT SERVICE FEES	188,663.66
4311-607043	PRELIM/DESIGN/CONSTR ENGINEERING	159,760.01
4311-607049	SERVICES FOR CONTRACTORS	84,930.99
4311-607052	METER SETTING FEES	21,740.00
4311-659002	PENALTY FINES *	-
		<u>\$ 514,194.66</u>

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

CAPITAL CONTRIBUTION & LAKELINE CREDIT

4311-607051	WATER FRONT FOOTAGE	\$ 309,697.99
4311-607053	INTEGRATED WATER CONNECTION	<u>1,568,310.00</u>
		<u>\$ 1,878,007.99</u>

OFFSETTING CREDIT TO CUSTOMER ACCOUNTING ACTIVITY EXPENSES:

4311-699001	BILLABLE EXPENSE - SEWAGE DISPOSAL SYSTEM *	<u>\$ 2,892,733.09</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, 2006

TO: Michael Wolski
Utility Financial Officer

FROM: Joellen Thompson 
Acting Water System Manager

SUBJECT: 2006 WATER RATE STUDY- TASK #8

No significant changes in operating levels are anticipated to take effect by January 1, 2007, which would require adjustments to operating costs for the test period.

JTMW

wrs\wtask8 2006

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2006

TO: Michael Wolski
Utility Financial Officer

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

SUBJECT: 2006 WATER RATE STUDY- TASK #9

No significant changes in water revenues are anticipated to take effect by January 1, 2007, which would require an adjustment to operating revenue estimates as a whole.

JTMW

wrs\wtask9 2006

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 20, 2006

TO: Michael Wolski
Utility Financial Officer

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

SUBJECT: 2006 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, 2007.

<u>Description</u>	<u>Location</u>	<u>Amount</u>
LMFP- Standby Power System	Integrated System	\$5,598,242
Division Ave- Alger/Quigley	Grand Rapids	550,646
Burke- Kentwood/Drexel	Grand Rapids	65,000
Kentwood- Diamond/Herrick	Grand Rapids	125,000
Drexel- Diamond/Burke	Grand Rapids	184,763
Louis St- Monroe/Ottawa	Grand Rapids	181,771
Russwood St- College/Borglum	Grand Rapids	239,849
Fuller Ave- Evangeline/Michigan	Grand Rapids	491,351
Ottawa Ave- Hastings/Fairbanks	Grand Rapids	218,496
Hall St- Buchanan/Division	Grand Rapids	216,514
Fuller Ave- Wealthy/Lake	Grand Rapids	165,936
ES CSO- #4 & #5	Grand Rapids	1,110,313
LMFP- Security Improvements	Integrated System	656,586
Beverly Hills Plat- PH II	Grand Rapids Twp	740,707
LMFP- Crash Gate System	Integrated System	666,564
Ionia Ave- Lyon/Michigan	Grand Rapids	328,687
Livingston Reservoir Improvements	Grand Rapids	1,263,134
Indian Mill Creek- Contract #1	Grand Rapids	337,854

JT/MW

wrs\wtask10 2006

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

"COMPUTE ACCUMULATED COST, DEPRECIATION AND DEPRECIATION EXPENSE AS OF JUNE 30, 2006"

INTEGRATED SYSTEM

	<u>ORIGINAL COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>DEPRECIATION EXPENSE</u>
LAND	\$ 2,507,974	\$ -	\$ -
LAND IMPROVEMENTS	1,021,642	758,274	43,436
BUILDINGS & STRUCTURES	43,341,111	15,502,884	846,347
STORAGE	7,584,993	3,864,228	208,204
PROCESS EQUIPMENT	42,429,553	20,864,677	1,247,957
AUXILIARY EQUIPMENT	11,027,007	10,133,890	535,963
METERS	7,375,481	7,096,377	133,198
MACHINERY & EQUIPMENT	1,980,281	1,873,827	27,353
OFFICE EQUIPMENT & FURNITURE	622,184	614,906	24,405
WATERMAINS	55,592,968	12,109,016	741,240
	<u>\$ 173,483,194</u>	<u>\$ 72,818,079</u>	<u>\$ 3,808,103</u>

NON-INTEGRATED SYSTEM

	<u>ORIGINAL COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>DEPRECIATION EXPENSE</u>
LAND	\$ 981,022	\$ -	\$ -
LAND IMPROVEMENTS	1,192,503	512,235	51,579
BUILDINGS & STRUCTURES	10,715,875	1,591,265	210,349
STORAGE	7,278,199	3,546,878	150,656
PROCESS EQUIPMENT	4,476,690	1,735,266	140,378
AUXILIARY EQUIPMENT	1,766,619	1,611,490	19,040
MACHINERY & EQUIPMENT	2,108,433	1,649,286	68,391
OFFICE EQUIPMENT & FURNITURE	520,458	269,896	39,264
WATERMAINS - GRAND RAPIDS	83,668,161	18,808,067	1,051,329
WATERMAINS - WALKER	18,550,747	4,475,487	244,608
WATERMAINS - KENTWOOD	23,693,951	4,737,514	308,460
WATERMAINS - CASCADE TWP	19,428,613	3,245,076	253,894
WATERMAINS - GRAND RAPIDS TWP	13,880,402	2,307,952	175,768
WATERMAINS - TALLMADGE TWP	1,575,455	126,771	20,027
	<u>\$ 189,837,128</u>	<u>\$ 44,617,183</u>	<u>\$ 2,733,743</u>
TOTAL	<u>\$ 363,320,322</u>	<u>\$117,435,262</u>	<u>\$ 6,541,846</u>

SOURCE: FINAL GENERAL LEDGER, AS ADJUSTED, FOR JUNE 30, 2006.

**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, 2006: \$1,929,410

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 = \$25,202,053 @ 90/365 = \$6,214,205

TOTAL WORKING CAPITAL NEEDS CONSIST OF THE FOLLOWING:

12A INVESTMENT IN INVENTORY	\$1,929,410
12B PREPAYMENT OF OPERATING EXPENSES	-
12C 90 DAY OPERATING EXPENSES	<u>6,214,205</u>
	<u><u>\$8,143,615</u></u>

**WATER RATE STUDY
WATER SUPPLY SYSTEM FUND
ZONEGATED FACILITIES
TASK #13
October 3, 2006**

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.

MW

wrs\wtask13 2006

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 16, 2006

TO: Michael Wolski
Utility Financial Officer

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

SUBJECT: 2006 Water Rate Study Task #14

Base maps and zone gating maps for the water rate study, adjusted and revised to reflect minor changes are presently being updated to reflect the 2006 zone gating information.

In this regard, the water maps will be completely updated by the end of the calendar year 2006 for the fiscal year 2006.

JCT/df

RECEIVED

OCT 18 2006

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 9, 2006

TO: Michael E. Wolski
Utility Financial Officer

FROM: Linda Wagenmaker *LW*
Financial Analyst

**SUBJECT: 2006 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, 2007. 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, 2007 is as follows:

August, 2005 Index	196.4
August, 2006 Index	203.9
Increase	7.5
Percentage increase	3.8%

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>1/01/06</u>	<u>1/01/07</u>
3/4 or less	\$ 2,350	\$2,450
1	3,900	4,100
1 ½	7,850	8,150
2	12,550	13,050
3	27,400	28,600
4	49,350	51,450
6 and over	109,650	114,350

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)	\$ 11,286,000
2	SE ELEVATED STORAGE TANK AND WATER MAIN	2,979,000
3	DEAN LAKE WATER MAIN	3,288,600
4	SOUTH WALKER WATERMAIN PHASES I & II	2,250,000
5	FOUR MILE ROAD WATER MAIN AND ELEVATED TANK	3,453,800
		<u>\$ 23,257,400</u>

NOTE: NONE OF THE PROJECTS ABOVE ARE INCLUDED IN RECOMMENDED REVENUE REQUIREMENTS FOR CALENDAR YEAR 2007.

SOURCE: JOELLEN THOMPSON, ACTING WATER SYSTEM MANAGER
 OCTOBER 2006

**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
2007	\$ 6,085,000	\$ 5,685,306	\$ 11,770,306
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	\$ 202,829,396
LESS: BONDED INDEBTEDNESS - TASK NO. 17	(118,825,207) *
 NET WATER SYSTEM EQUITY	 <u>\$ 84,004,189</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	445,952
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	1,110,313
LMFP- STANDBY PWR SYSTEM PH B	5,058,151
LMFP- SECURITY ENHANCEMENTS	656,586
BEVERLY HILLS PH II	740,707
LMFP- CRASH GATE SYSTEM	666,564
	<u>\$ 12,065,207</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>
13-Oct-05	4.510%	12-Apr-06	4.570%
20-Oct-05	4.470%	20-Apr-06	4.590%
27-Oct-05	4.560%	27-Apr-06	4.590%
03-Nov-05	4.630%	04-May-06	4.630%
09-Nov-05	4.610%	11-May-06	4.630%
17-Nov-05	4.520%	18-May-06	4.580%
22-Nov-05	4.510%	25-May-06	4.520%
01-Dec-05	4.530%	01-Jun-06	4.570%
08-Dec-05	4.490%	08-Jun-06	4.480%
15-Dec-05	4.480%	15-Jun-06	4.580%
22-Dec-05	4.420%	22-Jun-06	4.680%
29-Dec-05	4.380%	29-Jun-06	4.710%
05-Jan-06	4.350%	06-Jul-06	4.690%
12-Jan-06	4.370%	13-Jul-06	4.620%
19-Jan-06	4.330%	20-Jul-06	4.590%
26-Jan-06	4.420%	27-Jul-06	4.550%
02-Feb-06	4.430%	03-Aug-06	4.490%
09-Feb-06	4.420%	10-Aug-06	4.450%
16-Feb-06	4.410%	17-Aug-06	4.390%
23-Feb-06	4.360%	24-Aug-06	4.340%
02-Mar-06	4.390%	31-Aug-06	4.300%
09-Mar-06	4.450%	07-Sep-06	4.340%
16-Mar-06	4.400%	14-Sep-06	4.300%
23-Mar-06	4.430%	21-Sep-06	4.210%
30-Mar-06	4.530%	28-Sep-06	4.230%
06-Apr-06	4.560%	05-Oct-06	4.250%
		<u>52 WEEKS</u>	<u>4.478%</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	\$ 84,004,189	@	5.478%	=	\$ 4,601,749
WATER SYSTEM INDEBTEDNESS IN THE CCR BASE -1993 Bonds	36,400,000	@	5.330%	=	1,940,120
-2000 Bonds	70,360,000	@	5.285%	=	3,718,526
-2005 Bonds	12,065,207	@	4.850%	=	585,163
LESS: INTEREST EARNED DURING THE TEST PERIOD ON BOND RESERVE AND REPLACEMENT ACCOUNTS					(157,755)
	\$ 202,829,396				\$ 10,687,803
COMPOSITE RATE OF RETURN ON INVESTMENT			\$ 10,687,803	=	5.269%
			202,829,396		

**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, 2006**

PHYSICAL LOCATION

DESCRIPTION	RETAIL						WHOLESALE			TOTAL	
	INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	EAST GR	CITY OF OTTAWA		ADA TOWNSHIP
COST	\$ 180,404,586	\$ 107,671,697	\$ 18,942,807	\$ 22,065,709	\$ 19,423,681	\$ 14,084,681	\$ 1,575,455	\$ -	\$ -	\$ -	\$ 364,168,616
LESS: ACCUMULATED DEPRECIATION	72,818,079	26,320,222	4,531,831	5,377,913	3,244,222	2,076,674	126,771	-	-	-	114,485,712
NET BOOK VALUE	\$ 107,586,507	\$ 81,351,475	\$ 14,410,976	\$ 16,687,796	\$ 16,179,459	\$ 12,008,007	\$ 1,448,684	\$ -	\$ -	\$ -	\$ 249,672,904
WORKING CAPITAL REQUIREMENT	3,420,645	3,140,748	420,292	473,144	353,270	262,224	16,287	24,268	-	32,737	8,143,615
CONTRIBUTIONS	\$ 111,007,152	\$ 84,492,223	\$ 14,831,268	\$ 17,160,940	\$ 16,532,729	\$ 12,270,231	\$ 1,464,971	\$ 24,268	\$ -	\$ 32,737	\$ 257,816,519
LESS AMORTIZATION	-	23,090,971	15,996,964	15,667,168	15,415,075	10,883,125	1,575,455	-	-	-	82,628,758
	-	(7,080,827)	(3,425,631)	(2,928,480)	(2,891,732)	(1,830,074)	(131,322)	-	-	-	(18,288,066)
CONSTRUCTION COST RATE BASE	\$ 111,007,152	\$ (16,010,144)	\$ (12,571,333)	\$ (12,738,668)	\$ (12,523,343)	\$ (9,053,051)	\$ (1,444,133)	\$ -	\$ -	\$ -	\$ (64,340,692)
RETURN ON INVESTMENT- TASK 20	\$ 5,848,967	\$ 3,608,321	\$ 119,076	\$ 233,008	\$ 211,255	\$ 169,513	\$ 1,098	\$ 1,279	\$ -	\$ 1,725	\$ 10,194,242
	5.269%										

ZONEGATED

COST	\$ -	\$ (5,157,560)	\$ 605,228	\$ 4,425,550	\$ 6,242,198	\$ 2,584,331	\$ 157,156	\$ 761,784	\$ -	\$ 2,674,432	\$ 12,293,119
LESS: ACCUMULATED DEPRECIATION	-	(1,580,608)	405,279	751,018	1,721,930	757,153	57,928	184,577	-	642,273	2,939,580
NET BOOK VALUE	\$ -	\$ (3,576,952)	\$ 199,949	\$ 3,674,532	\$ 4,520,268	\$ 1,827,178	\$ 99,228	\$ 577,207	\$ -	\$ 2,032,159	\$ 9,353,569
WORKING CAPITAL REQUIREMENT	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS	\$ -	\$ (3,576,952)	\$ 199,949	\$ 3,674,532	\$ 4,520,268	\$ 1,827,178	\$ 99,228	\$ 577,207	\$ -	\$ 2,032,159	\$ 9,353,569
LESS AMORTIZATION	-	-	-	13,752	3,536	21,712	-	-	-	9,637	48,637
	-	-	-	(12,595)	(3,239)	(19,884)	-	-	-	(8,826)	(44,544)
CONSTRUCTION COST RATE BASE	\$ -	\$ (3,576,952)	\$ 199,949	\$ 3,673,375	\$ 4,519,971	\$ 1,825,350	\$ 99,228	\$ 577,207	\$ -	\$ (811)	\$ (4,093)
RETURN ON INVESTMENT- TASK 19/20	\$ -	\$ (374,793)	\$ 20,951	\$ 384,896	\$ 473,603	\$ 191,260	\$ 10,397	\$ 60,480	\$ -	\$ 212,845	\$ 979,639
RETURN ON INVESTMENT- TASK 19/20	10.478%	10.478%	10.478%	10.478%	10.478%	10.478%	10.478%	10.478%	5.269%	10.478%	10.478%
TOTAL RETURN ON INVESTMENT	\$ 5,848,967	\$ 3,233,528	\$ 140,027	\$ 617,904	\$ 684,858	\$ 360,773	\$ 11,495	\$ 61,759	\$ -	\$ 214,570	\$ 11,173,881

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
CONSTRUCTION COST & ACCUMULATED DEPRECIATION- TASK NO. 21- PART 2
FISCAL YEAR ENDED JUNE 30, 2006**

CONSTRUCTION COST

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
BY PHYSICAL LOCATION- TASK 11		\$ 110,384,458	\$ 19,163,447	\$ 25,404,753	\$ 19,428,613	\$ 13,880,402	\$ 1,575,455	\$ -	\$ -	\$ -	\$ 363,320,322
IN SERVICE- TASK 10		5,479,314	-	-	-	740,707	-	-	-	-	13,141,413
PUMPING STATIONS:											
KNAPP SERVICE CENTER	\$ 2,416,066	(1,019,153)	-	288,167	74,101	454,949	-	-	-	201,936	-
LIVINGSTON	1,969,163	(298,000)	-	84,374	21,570	133,028	-	-	-	59,028	-
FRANKLIN	6,949,487	(3,738,684)	-	1,510,679	832,062	340,108	-	601,895	-	453,940	-
LEFFINGWELL	141,009	(59,481)	-	16,818	4,325	26,552	-	-	-	11,786	-
BRISTOL	612,700	-	-	-	-	-	-	-	-	-	-
EAST PARIS	1,710,802	-	-	(837,814)	837,814	-	-	-	-	-	-
STORAGE TANKS:											
ELKS	236,335	(179,265)	174,737	-	-	-	4,528	-	-	-	-
KNAPP	118,570	(18,903)	-	5,352	1,368	8,439	-	-	-	3,744	-
CAMBRIDGE	116,070	(87,468)	-	71,592	6,140	-	-	9,736	-	-	-
WATERMANS		(7,948,681)	209,851	(52,662)	4,459,886	1,084,827	152,828	150,153	-	1,943,998	-
ADJUSTED BY ZONEGATING		\$ 180,404,586	\$ 19,548,035	\$ 26,491,259	\$ 25,665,879	\$ 16,669,012	\$ 1,732,611	\$ 761,784	\$ -	\$ 2,674,432	\$ 376,461,735
LESS: ZONEGATING ADJUSTMENT		\$ -	\$ 605,228	\$ 4,425,550	\$ 6,242,198	\$ 2,584,331	\$ 157,156	\$ 761,784	\$ -	\$ 2,674,432	\$ 12,293,119
PHYSICAL LOCATION		\$ 180,404,586	\$ 18,942,807	\$ 22,065,709	\$ 19,423,681	\$ 14,084,681	\$ 1,575,455	\$ -	\$ -	\$ -	\$ 364,168,616

ACCUMULATED DEPRECIATION

BY PHYSICAL LOCATION- TASK 11	\$ 72,818,079	\$ 28,261,229	\$ 4,618,313	\$ 6,057,842	\$ 3,245,076	\$ 2,307,952	\$ 126,771	\$ -	\$ -	\$ -	\$ 117,435,262
IN SERVICE- TASK 10											
PUMPING STATIONS:											
KNAPP SERVICE CENTER	\$ 1,493,857	(630,139)	-	178,172	45,817	281,293	-	-	-	124,857	-
LIVINGSTON	488,188	(77,832)	-	22,037	5,634	34,744	-	-	-	15,417	-
FRANKLIN	1,196,301	(643,586)	-	260,052	143,233	58,547	-	103,612	-	78,142	-
LEFFINGWELL	129,203	(54,501)	-	15,410	3,963	24,329	-	-	-	10,799	-
BRISTOL	142,826	-	-	-	-	-	-	-	-	-	-
EAST PARIS	1,320,328	-	-	(646,591)	646,591	-	-	-	-	-	-
STORAGE TANKS:											
ELKS	236,335	(179,265)	174,737	-	-	-	4,528	-	-	-	-
KNAPP	116,070	(18,504)	-	5,239	1,339	8,261	-	-	-	3,665	-
CAMBRIDGE	116,070	(87,468)	-	71,592	6,140	-	-	9,736	-	-	-
WATERMANS		(1,830,320)	144,060	165,178	868,369	118,701	53,400	71,229	-	409,393	-
ADJUSTED BY ZONEGATING		\$ 72,818,079	\$ 4,937,110	\$ 6,128,931	\$ 4,966,152	\$ 2,833,827	\$ 184,699	\$ 184,577	\$ -	\$ 642,273	\$ 117,435,262
LESS: ZONEGATING ADJUSTMENT		\$ -	\$ 405,279	\$ 751,018	\$ 1,721,930	\$ 757,153	\$ 57,928	\$ 184,577	\$ -	\$ 642,273	\$ 2,939,550
PHYSICAL LOCATION		\$ 72,818,079	\$ 4,531,831	\$ 5,377,913	\$ 3,244,222	\$ 2,076,674	\$ 126,771	\$ -	\$ -	\$ -	\$ 114,495,712

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
CONTRIBUTIONS & AMORTIZED CONTRIBUTIONS- TASK NO. 21- PART 3
FISCAL YEAR ENDED JUNE 30, 2006**

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	CITY OF EAST GR	COUNTY OF OTTAWA	ADA TOWNSHIP		
2005 RATE STUDY- LOCATION		\$ 22,700,364	\$ 15,534,822	\$ 14,529,979	\$ 14,416,300	\$ 10,697,079	\$ 1,428,614						\$ 79,307,158
ADDITIONS:													
FRONT FOOT FEES		114,797	51,789	96,451	43,061	3,600	-	-	-	-	-	-	309,698
FIXED ASSET CONTRIBUTIONS		275,810	410,353	1,040,738	955,714	182,446	146,841	-	-	-	-	-	3,011,902
PUMPING STATIONS:													
LEFFINGWELL	\$ 115,303	-	15,996,964	15,667,168	15,415,075	10,883,125	1,575,455	-	-	-	-	-	82,628,758
ADJUSTED BY ZONEGATING				13,752	3,536	21,712	-	-	-	-	9,637	-	
LESS: ZONEGATING ADJUSTMENT				15,996,964	15,680,920	10,904,837	1,575,455	-	-	-	9,637	-	82,628,758
PHYSICAL LOCATION				13,752	3,536	21,712	-	-	-	-	9,637	-	
				15,996,964	15,667,168	10,883,125	1,575,455	-	-	-	-	-	82,628,758
AMORTIZED CONTRIBUTIONS													
2005 RATE STUDY- LOCATION		\$ 6,599,072	\$ 3,211,208	\$ 2,724,040	\$ 2,691,285	\$ 1,684,164	\$ 111,295						\$ 17,021,064
CURRENT YEAR ADJUSTMENTS		481,755	214,423	204,440	200,447	145,910	20,027						1,267,002
PUMPING STATIONS:													
LEFFINGWELL	105,599	7,080,827	3,425,631	2,928,480	2,891,732	1,830,074	131,322	-	-	-	-	-	18,288,066
ADJUSTED BY ZONEGATING				12,595	3,239	19,884	-	-	-	-	8,826	-	
LESS: ZONEGATING ADJUSTMENT				3,425,631	2,941,075	1,849,958	131,322	-	-	-	8,826	-	18,288,066
PHYSICAL LOCATION				12,595	3,239	19,884	-	-	-	-	8,826	-	
				3,425,631	2,928,480	1,830,074	131,322	-	-	-	-	-	18,288,066

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
RECONCILIATION OF CONSTRUCTION COST & ACCUMULATED DEPRECIATION- PHYSICAL LOCATION & ZONEGATING
FISCAL YEAR ENDED JUNE 30, 2006**

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	
COST BY PHYSICAL LOCATION- TASK 11		\$ 112,707,960	\$ 18,550,747	\$ 23,653,951	\$ 19,428,613	\$ 13,880,402	\$ 1,575,455	\$ -	\$ -	\$ 363,320,322
IN SERVICE- TASK 10		5,479,314	612,700	1,710,802		740,707				13,141,413
BRISTOL		(612,700)								
EAST PARIS		(1,710,802)								
WATERMAINS		(11,025,024)	(725,425)	(6,451,824)	(6,200)	(854,852)				(19,063,325)
LESS: WATERMAINS-TOTAL SUBS-HOME COMM		2,832,948	504,785	3,112,780	1,268	318,424				6,770,205
ADD: WATERMAINS-TOTAL ADDS-HOME COMM		\$ 180,404,586	\$ 18,942,807	\$ 22,065,709	\$ 19,423,681	\$ 14,084,681	\$ 1,575,455	\$ -	\$ -	\$ 364,168,615
TOTAL-PHYSICAL LOCATION COST										

CONSTRUCTION COST-ZONEGATING

PUMPING STATIONS:										
KNAPP SERVICE CENTER	\$ 2,416,086	\$ -	\$ 288,167	\$ 74,101	\$ 454,949	\$ -	\$ -	\$ 201,936	\$ -	\$ -
LIVINGSTON	1,869,163	(298,000)	84,374	21,570	133,028			59,028		
FRANKLIN	6,949,487	(3,738,684)	1,510,679	832,062	340,108		601,895	453,940		
LEFFINGWELL	141,009	(59,481)	16,818	4,325	26,552			11,786		
BRISTOL	612,700									
EAST PARIS	1,710,802		(837,814)	837,814						
STORAGE TANKS:										
ELKS	236,335	(179,265)	174,737			4,528				
KNAPP	118,570	(18,903)	5,352	1,368	8,439				3,744	
CAMBRIDGE	116,070	(87,468)	71,592	6,140			9,736			
WATERMAINS-ZONEGATED COST		243,394	430,491	3,286,382	4,464,818	1,621,255	152,628	1,943,998		12,293,119
TOTAL-ZONEGATED COST	\$ -	\$ (5,157,650)	\$ 605,228	\$ 4,425,550	\$ 6,242,198	\$ 2,584,331	\$ 157,156	\$ 761,784	\$ -	\$ 12,293,119
GRAND TOTAL- COST	\$ 180,404,586	\$ 102,514,136	\$ 19,548,035	\$ 26,491,259	\$ 25,665,879	\$ 16,669,012	\$ 1,732,611	\$ 761,784	\$ 2,674,432	\$ 376,461,734

ACCUMULATED DEPRECIATION-BY PHYSICAL LOCATION

ACC DEP BY PHYSICAL LOCATION- TASK 11	\$ 72,818,079	\$ 29,724,383	\$ 4,475,487	\$ 4,737,514	\$ 3,245,076	\$ 2,307,952	\$ 126,771	\$ -	\$ -	\$ 117,435,262
BRISTOL		(142,826)	142,826							
EAST PARIS		(1,320,328)								
WATERMAINS		(3,145,180)	(309,097)	(1,349,278)	(1,075)	(364,298)				(5,168,928)
LESS: WATERMAINS-TOTAL SUBS-HOME COMM		1,204,174	222,615	669,349	220	133,020				2,229,378
ADD: WATERMAINS-TOTAL ADDS-HOME COMM		\$ 72,818,079	\$ 26,320,223	\$ 4,531,831	\$ 3,244,221	\$ 2,076,674	\$ 126,771	\$ -	\$ -	\$ 114,495,712
TOTAL-PHYSICAL LOCATION ACC DEP										

ACCUMULATED DEPRECIATION-ZONEGATING

PUMPING STATIONS:										
KNAPP SERVICE CENTER	\$ 1,493,657	\$ (630,139)	\$ 178,172	\$ 45,817	\$ 281,293	\$ -	\$ -	\$ 124,857	\$ -	\$ -
LIVINGSTON	488,188	(77,832)	22,037	5,634	34,744			15,417		
FRANKLIN	1,196,301	(643,586)	260,052	143,233	58,547		103,612	78,142		
LEFFINGWELL	129,203	(54,501)	15,410	3,963	24,329			10,799		
BRISTOL	142,826									
EAST PARIS	1,320,328		(646,591)	646,591						
STORAGE TANKS:										
ELKS	236,335	(179,265)	174,737			4,528				
KNAPP	116,070	(18,504)		5,239	8,261				3,665	
CAMBRIDGE	116,070	(87,468)		71,592	6,140		9,736			
WATERMAINS-ZONEGATED ACC DEP		110,687	230,542	845,107	869,213	349,979	53,400	409,393		2,939,550
TOTAL-ZONEGATED ACC DEP	\$ -	\$ (1,580,608)	\$ 405,279	\$ 751,018	\$ 1,721,930	\$ 757,153	\$ 57,928	\$ 184,577	\$ -	\$ 2,939,550
GRAND TOTAL- ACC DEP	\$ 72,818,079	\$ 24,739,615	\$ 4,937,110	\$ 6,128,931	\$ 4,966,151	\$ 2,833,827	\$ 184,699	\$ 642,273	\$ 642,273	\$ 117,435,262

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ADJUSTED OPERATING EXPENSE ZONEGATED BY GOVERNMENTAL UNIT - TASK #22
FISCAL YEAR ENDED JUNE 30, 2006**

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	\$ 6,756,382	\$ 6,756,382												
PUMPING STATIONS:														
A. PRIMARY TRANSPORT	2,065,026	2,065,026												
B. INTERMEDIATE TRANSPORT	1,602,742		886,046	32,845	290,958	203,564	73,342		55,498					60,489
WATERMAINS:														
A. PRIMARY TRANSPORT	337,086		178,840	35,630	58,717	36,692	10,359	624	6,927					9,297
B. INTERMEDIATE TRANSPORT	1,796,296		668,725	365,043	319,166	265,205	139,339	24,088	126					14,604
C. LOCAL DISTRIBUTION	5,000,723		3,727,738	381,155	330,048	263,088	287,842	10,852						
RETAIL CUSTOMER METERING *	3,443,214		2,638,294	269,259	221,399	142,515	165,343	6,404						
SUBTOTAL OPERATING EXPENSE	21,001,469	8,821,408	8,099,643	1,083,932	1,220,288	911,064	676,225	41,968	62,551					84,390
ENGINEERING SERVICES	1,359,865	571,114	524,382	70,172	78,997	58,982	43,781	2,719	4,052					5,466
ADMINISTRATIVE EXPENSE	2,840,919	1,133,955	1,134,100	154,570	170,555	127,212	95,604	6,025	8,045					10,853
TOTAL	\$ 25,202,053	\$ 10,526,477	\$ 9,758,125	\$ 1,308,674	\$ 1,469,840	\$ 1,097,258	\$ 815,610	\$ 50,712	\$ 74,648					\$ 100,709

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

METHOD OF DISTRIBUTION

FILTRATION PLANTS	100.00%														
PUMPING STATIONS		100.00%													
A. PRIMARY TRANSPORT	100.00%														
B. INTERMEDIATE TRANSPORT	100.00%		55.283%	2.049%	18.154%	12.701%	4.576%		3.463%						3.774%
MEMO															
WATERMAINS:															
TOTAL MILES:					1,143.29										
A. PRIMARY TRANSPORT					54.02										
MILES					287.87										
B. INTERMEDIATE TRANSPORT					801.40										
MILES					79,194.00										
RETAIL CUSTOMER METERING (1)															
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	\$ 22,625,983	65.9726%	\$ 339,228
CITY OF WALKER	2,897,931	8.4497%	43,448
CITY OF KENTWOOD	3,926,380	11.4485%	58,868
CASCADE TOWNSHIP	2,896,934	8.4468%	43,433
GRAND RAPIDS TOWNSHIP	1,851,235	5.3978%	27,755
TALLMADGE TOWNSHIP	97,616	0.2846%	1,463
	<u>\$ 34,296,079</u>	<u>100.0000%</u>	<u>\$ 514,195</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, 2006

COST CENTER BY PHYSICAL LOCATION- TASK 11 IN SERVICE- TASK 10	DEPRECIATION EXPENSE	INTEGRATED SYSTEM	RETAIL					WHOLESALE				TOTAL	
			CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	CITY OF EAST GR	COUNTY OF OTTAWA	ADA TOWNSHIP		TOTAL
		\$ 3,808,103	\$ 1,681,243	\$ 260,476	\$ 342,333	\$ 253,894	\$ 175,768	\$ 20,027	\$ -	\$ -	\$ -	\$ -	\$ 6,541,846
		254,254	92,306				9,876						356,436
PUMPING STATIONS:													
KNAPP SERVICE CENTER	\$ 60,233		(25,407)		7,184	1,847	11,342						5,034
LIVINGSTON	40,243		(6,416)		1,817	464	2,864						1,271
FRANKLIN	208,505		(112,172)		45,325	24,964	10,204		18,059				13,620
LEFFINGWELL	908		(383)		108	28	171						76
BRISTOL	15,870												
EAST PARIS	33,873				(16,588)	16,588							
STORAGE TANKS:													
ELKS	-												
KNAPP	-												
CAMBRIDGE	-												
WATERMANS			(105,578)	2,798	(889)	59,449	14,464	2,035	1,801		25,920		
ADJUSTED BY ZONEGATING		4,062,357	1,523,593	263,276	379,290	357,234	224,689	22,062	19,860		45,921		6,898,282
LESS CONTRIBUTIONS AMORTIZED			(481,755)	(214,423)	(204,440)	(200,447)	(145,910)	(20,027)					(1,267,002)
TASK NO. 21		\$ 4,062,357	\$ 1,041,838	\$ 48,853	\$ 174,850	\$ 156,767	\$ 78,779	\$ 2,035	\$ 19,860	\$ -	\$ 45,921	\$ -	\$ 5,631,280
TOTAL													

**CITY OF GRAND RAPIDS, MICHIGAN
WATER SUPPLY SYSTEM FUND
ACCUMULATE REVENUE REQUIREMENTS BY CUSTOMER COMMUNITIES- TASK NO. 25
FISCAL YEAR ENDED JUNE 30, 2006**

COST CENTER	INTEGRATED SYSTEM	RETAIL							WHOLESALE			TOTAL
		CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	CITY OF EAST GR	COUNTY OF OTTAWA	ADA TOWNSHIP		
OPERATION & MAINTENANCE EXPENSE- TASK NO. 22	\$ 10,526,477	\$ 9,758,125	\$ 1,308,674	\$ 1,469,840	\$ 1,097,258	\$ 815,610	\$ 50,712	\$ 74,648	\$ -	\$ 100,709	\$ 25,202,053	
DEPRECIATION EXPENSE	4,062,357	1,041,838	48,853	174,850	156,787	78,779	2,035	19,860	-	45,921	5,631,280	
TASK NO. 24	5,848,967	3,233,528	140,027	617,904	684,858	360,773	11,495	61,759	-	214,570	11,173,881	
RETURN ON SYSTEM INVESTMENT	-	(339,228)	(43,448)	(58,868)	(43,433)	(27,755)	(1,463)	-	-	-	(514,195)	
REVENUE CREDITS- TASK NO. 23 ALLOCATE:	-	(925,449)	(151,860)	(173,685)	(110,084)	(79,809)	(5,062)	(58,637)	-	(63,724)	(1,568,310)	
INTEG CONN. FEE CREDIT (A)	(20,437,801)	11,380,508	1,867,463	2,135,868	1,353,725	981,436	62,244	721,082	1,151,835	783,640	-	
INTEGRATED SYSTEM (A)	-	(196,757)	(79,722)	-	-	(18,970)	-	-	-	-	(295,449)	
LESS: CIRCUIT BREAKER (B)	\$ -	\$ 23,952,565	\$ 3,089,987	\$ 4,165,909	\$ 3,139,111	\$ 2,110,064	\$ 119,961	\$ 818,712	\$ 1,151,835	\$ 1,081,116	\$ 39,629,260	

(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 6/30/06</u>	<u>PRO FORMA *</u>
REVENUES:		
SALES	\$ 37,569,867	\$ 38,901,617
CONNECTION FEES/FRONT FOOT FEES	1,878,008	1,878,008
BILLABLE TO SDS FUND	2,448,949	2,512,380
ENGINEERING FEES	159,760	159,760
OTHER OPERATING REVENUES	1,411,317	1,411,317
INTEREST ON INVESTMENTS	1,194,513	1,194,513
MISCELLANEOUS	407,688	407,688
TOTAL REVENUES	<u>\$ 45,070,102</u>	<u>\$ 46,465,283</u>
 OPERATING EXPENSES:		
OPERATIONS & MAINTENANCE	\$ 27,625,354	\$ 28,169,712
DEPRECIATION	6,541,846	6,541,846
TOTAL EXPENSES	<u>\$ 34,167,200</u>	<u>\$ 34,711,558</u>
 ADDITIONS: DEPRECIATION	 <u>6,541,846</u>	 <u>6,541,846</u>
 NET EARNINGS OF THE SYSTEM	 <u><u>\$ 17,444,748</u></u>	 <u><u>\$ 18,295,571</u></u>
 DEBT SERVICE (CASH BASIS)		
 SERIES 1993 BONDS	 \$ 3,500,000	 \$ 3,520,000
SERIES 2000 BONDS	8,195,900	8,170,900
SERIES 2005 BONDS	2,272,945	2,272,945
	<u>\$ 11,695,900</u>	<u>\$ 13,963,845</u>
 COVERAGE RATIO	 <u>1.49</u>	 <u>1.31</u>

* METERED SALES ADJUSTED FOR RATE REVISIONS OF 5.94% AND 0.63% EFFECTIVE 1/1/06 AND 1/1/07, RESPECTIVELY.

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SUMMARY

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

INITIAL SYSTEM REVENUE REQUIREMENTS \$ 39,924,709

CURRENT REVENUES

MONTHLY METER CHARGE	\$ 9,343,273	
MONTHLY BILLING CHARGE	3,282,745	
COMMODITY CHARGE	26,257,348	
MONTHLY FIRE PROTECTION	426,480	
ANNUAL HYDRANT CHARGE	<u>71,136</u>	<u>(39,380,982)</u>

INITIAL REQUIRED REVENUE INCREASE (DECREASE) \$ 543,727

INITIAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 1.38%

INITIAL SYSTEM REVENUE REQUIREMENTS FROM ABOVE \$ 39,924,709

LESS: AMOUNT OF PENALTY CREDIT APPLIED TO REDUCE RR's TO RETAIL (295,449)
SYSTEM REVENUE REQUIREMENTS \$ 39,629,260

ACTUAL REQUIRED AMOUNT OF REVENUE INCREASE (DECREASE) \$ 248,278

ACTUAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 0.63%

**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	54,503	54,503	5,068	5,068	3,245	3,245	2,305	2,305	3,246	3,246	95	95
B 1"	1.7778	2,577	4,581	442	786	616	1,095	315	560	291	517	17	30
C 1 1/4"	2.7778	-	-	-	-	-	-	-	-	-	-	-	-
D 1 1/2"	4.0000	1,088	4,352	201	804	382	1,528	231	924	100	400	3	12
E 2"	7.1111	988	7,026	104	740	193	1,372	102	725	46	327	3	21
F 3"	16.0000	71	1,136	10	160	21	336	8	128	7	112	-	-
G 4"	28.4444	84	2,389	7	199	14	398	2	57	3	85	-	-
H 6" and over	64.0000	21	1,344	2	128	3	192	-	-	-	-	-	-
		59,332	75,331	5,834	7,885	4,474	8,166	2,963	4,699	3,693	4,687	118	158

FIRE PROTECTION SERVICE

H 6"	1,022	246	318	160	88	24
I 8"	291	88	264	127	21	2
J 10"	15	5	9	2	-	-
K 12"	21	20	27	26	1	3
	1,349	359	618	315	110	29
TOTAL	60,681	6,193	5,092	3,278	3,803	147
TOTAL						79,194

Source: Water/Sewage Meter/User Quantity Report, dated October 24, 2006.

CITY OF GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS \$ 23,952,565

CURRENT REVENUES

MONTHLY METER CHARGE

75,331 meter equivalents x \$ 6.01 x 12 = \$ 5,432,872

MONTHLY BILLING CHARGE

59,332 meters x \$ 3.58 x 12 = 2,548,903

COMMODITY CHARGE

10,512,136 units (100 CF) x \$ 1.47 = 15,452,840

MONTHLY FIRE PROTECTION

191,904

ANNUAL HYDRANT CHARGE

- (23,626,519)

REQUIRED REVENUE INCREASE (DECREASE)

\$ 326,046

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES

1.38%

CITY OF GRAND RAPIDS, MICHIGAN

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

COMMODITY CHARGE:

$$\frac{\text{COMMODITY CHARGE @ 64\%}}{\text{BILLED UNITS}} = \frac{\$15,329,642}{10,512,136} = \underline{\underline{\$ 1.46 /100 CF *}}$$

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS	\$ 23,952,565
NEW COMMODITY CHARGE 10,512,136 x \$ 1.46	\$ 15,347,719
NEW MONTHLY BILLING CHARGE 59,332 x \$ 3.75 x 12	2,669,940
MONTHLY FIRE PROTECTION CHARGE	191,904
ANNUAL HYDRANT CHARGE	- (18,209,563)
	<u>\$ 5,743,002</u>

$$\text{MONTHLY METER CHARGE} = \frac{\$5,743,002}{75,331 \times 12} = \underline{\underline{\$ 6.35 \text{ MONTHLY}}}$$

<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	\$ 6.35	\$ 3.75	\$ 10.10	\$ 9.59
1"	1.7778	11.29	3.75	15.04	14.26
1 1/4"	2.7778	17.64	3.75	21.39	20.27
1 1/2"	4.0000	25.40	3.75	29.15	27.62
2"	7.1111	45.16	3.75	48.91	46.32
3"	16.0000	101.60	3.75	105.35	99.74
4"	28.4444	180.62	3.75	184.37	174.53
6" and over	64.0000	406.40	3.75	410.15	388.22

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

CITY OF WALKER, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS \$ 3,089,987

CURRENT REVENUES

MONTHLY METER CHARGE

7,885 meter equivalents x \$ 7.39 x 12 = \$ 699,242

MONTHLY BILLING CHARGE

5,834 meters x \$ 3.58 x 12 = 250,629

COMMODITY CHARGE

1,447,914 units (100 CF) x \$ 1.41 = 2,041,559

MONTHLY FIRE PROTECTION

56,496

ANNUAL HYDRANT CHARGE

-

(3,047,926)

REQUIRED REVENUE INCREASE (DECREASE)

\$ 42,061

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES

1.38%

CITY OF KENTWOOD, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS \$ 4,165,909

CURRENT REVENUES

MONTHLY METER CHARGE

8,166 meter equivalents x \$ 11.07 x 12 = \$ 1,084,771

MONTHLY BILLING CHARGE

4,474 meters x \$ 3.58 x 12 = 192,203

COMMODITY CHARGE

1,888,412 units (100 CF) x \$ 1.48 = 2,794,850

MONTHLY FIRE PROTECTION

103,104

ANNUAL HYDRANT CHARGE

- (4,174,928)

REQUIRED REVENUE INCREASE (DECREASE)

\$ (9,019)

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES

-0.22%

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

SYSTEM REVENUE REQUIREMENTS \$ 3,139,111

CURRENT REVENUES

MONTHLY METER CHARGE			
4,699 meter equivalents	x	\$ 16.55	x 12 = \$ 933,221
MONTHLY BILLING CHARGE			
2,963 meters	x	\$ 3.58	x 12 = 127,290
COMMODITY CHARGE			
971,117 units (100 CF)	x	\$ 2.11	= 2,049,057
MONTHLY FIRE PROTECTION			55,392
ANNUAL HYDRANT CHARGE			<u>36,720</u>
			<u>(3,201,680)</u>
REQUIRED REVENUE INCREASE (DECREASE)			<u>\$ (62,569)</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>-1.95%</u>

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 2.07 /100 CF *
 \$ 2.11 x 98.05%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 3,139,111
NEW COMMODITY CHARGE		
971,117 x \$ 2.07	\$ 2,010,212	
NEW MONTHLY BILLING CHARGE		
2,963 x \$ 3.75 x 12	133,335	
MONTHLY FIRE PROTECTION CHARGE		55,392
ANNUAL HYDRANT CHARGE	<u>36,720</u>	<u>(2,235,659)</u>
		<u>\$ 903,452</u>

MONTHLY METER CHARGE = $\frac{\$903,452}{4,699 \times 12} = \underline{\underline{\$ 16.02 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 16.02	\$ 3.75	\$ 19.77	\$ 20.13
1"	1.7778	28.48	3.75	32.23	33.00
1 1/4"	2.7778	44.50	3.75	48.25	49.55
1 1/2"	4.0000	64.08	3.75	67.83	69.78
2"	7.1111	113.92	3.75	117.67	121.27
3"	16.0000	256.32	3.75	260.07	268.38
4"	28.4444	455.68	3.75	459.43	474.33
6" and over	64.0000	1,025.28	3.75	1,029.03	1,062.78

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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

SYSTEM REVENUE REQUIREMENTS \$ 2,110,064

CURRENT REVENUES

MONTHLY METER CHARGE			
4,687 meter equivalents	x	\$ 11.11	x 12 = \$ 624,871
MONTHLY BILLING CHARGE			
3,693 meters	x	\$ 3.58	x 12 = 158,651
COMMODITY CHARGE			
744,707 units (100 CF)	x	\$ 1.69	= 1,258,555
MONTHLY FIRE PROTECTION			15,024
ANNUAL HYDRANT CHARGE			<u>24,240</u>
			<u>(2,081,341)</u>
REQUIRED REVENUE INCREASE (DECREASE)			<u>\$ 28,723</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>1.38%</u>

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.71 /100 CF *
 \$ 1.69 x 101.38%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 2,110,064
NEW COMMODITY CHARGE		
744,707 x \$ 1.71	\$ 1,273,449	
NEW MONTHLY BILLING CHARGE		
3,693 x \$ 3.75 x 12	166,185	
MONTHLY FIRE PROTECTION CHARGE	15,024	
ANNUAL HYDRANT CHARGE	<u>24,240</u>	<u>(1,478,898)</u>
		<u>\$ 631,166</u>

MONTHLY METER CHARGE = $\frac{\$631,166}{4,687 \times 12} = \underline{\underline{\$ 11.22 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 11.22	\$ 3.75	\$ 14.97	\$ 14.69
1"	1.7778	19.95	3.75	23.70	23.33
1 1/4"	2.7778	31.17	3.75	34.92	34.44
1 1/2"	4.0000	44.88	3.75	48.63	48.02
2"	7.1111	79.79	3.75	83.54	82.58
3"	16.0000	179.52	3.75	183.27	181.34
4"	28.4444	319.15	3.75	322.90	319.60
6" and over	64.0000	718.08	3.75	721.83	714.62

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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

SYSTEM REVENUE REQUIREMENTS	\$ 119,961
LESS: CASH CONTRIBUTION	-
SYSTEM REVENUE REQUIREMENTS	\$ 119,961

CURRENT REVENUES

MONTHLY METER CHARGE	
158 meter equivalents	x \$ 5.50 x 12 = \$ 10,428
MONTHLY BILLING CHARGE	
118 meters	x \$ 3.58 x 12 = 5,069
COMMODITY CHARGE	
24,400 units (100 CF)	x \$ 3.99 = 97,356
MONTHLY FIRE PROTECTION	4,560
ANNUAL HYDRANT CHARGE	10,176
	(127,589)
REQUIRED REVENUE INCREASE (DECREASE)	\$ (7,628)

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES	-5.98%
--	--------

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS *	\$	662,445
COMMODITY CHARGE		
(100CF) 658,382 units x \$ 1.01		664,966
		<hr/>
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	\$	<u>(2,521)</u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	156,267
MONTHLY SERVICE CHARGE		
\$14,497 x 12 MONTHS		173,964
		<hr/>
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	\$	<u>(17,697)</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>-2.41%</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 \$ 818,712

NEW COMMODITY CHARGE
658,382 x \$1.01 = (664,966)

\$ 153,746

MONTHLY SERVICE CHARGE = \$153,746 / 12 = \$12,812

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS *	\$ 719,916
COMMODITY CHARGE	
(100CF) 661,822 units x \$ 1.09	721,386
	<hr/>
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	<u>\$ (1,470)</u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$ 361,200
MONTHLY SERVICE CHARGE	
\$31,992 x 12 MONTHS	383,904
	<hr/>
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	<u>\$ (22,704)</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES	<u>-2.19%</u>

* NET OF INTEGRATED CONNECTION FEE CREDIT.

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

SYSTEM REVENUE REQUIREMENTS	\$ 1,081,116
NEW COMMODITY CHARGE	
661,822 x \$1.09 =	(721,386)
	<hr/>
	<u>\$ 359,730</u>

MONTHLY SERVICE CHARGE = \$359,730 / 12 = \$29,978

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$ 1,151,835
COMMODITY CHARGE		
(100CF) 1,041,397 units x \$ 1.13		1,176,779
		1,176,779
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)		\$ (24,944)
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$ -
MONTHLY SERVICE CHARGE		
\$0 x 12 MONTHS		-
		-
REQUIRED SERVICE REVENUE INCREASE (DECREASE)		\$ -
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		-2.12%

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

SYSTEM REVENUE REQUIREMENTS					\$ 1,151,835	
NEW COMMODITY CHARGE						
1,041,397	x	\$1.11	=		(1,155,951)	
					<hr/>	
					<u>\$ (4,116)</u>	
MONTHLY SERVICE CHARGE	=	\$	-	/ 12	=	\$0

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 9, 2006

TO: Mike Wolski
Financial Analyst

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

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

Enclosed are the Front Foot Rates for Watermain (Task 28) and the costs for the Water Service Pipes (Task 29), for the Fiscal Year 2006.

RDV/grt

Enclosures

cc: Jack Stegehuis
Mark Garvey
Paul Pratt

RECEIVED

OCT 10 2006

**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>2006</u>	<u>2007</u>
Domestic Water User	\$ 48.00	\$ 49.00
Commercial-Industrial User (Watermain over 8 in. diameter)	\$ 66.00	\$ 68.00

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, 2005 through June, 2006. 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	2006	\$ 1,220	\$ 1,400	\$ 1,500	\$ 1,750	\$ 2,070
	2007	\$ 1,260	\$ 1,440	\$ 1,550	\$ 1,800	\$ 2,150
Cost for 1-1/2" Water Service	2006	\$ 1,860	\$ 2,090	\$ 2,225	\$ 2,550	\$ 3,000
	2007	\$ 1,800	\$ 1,990	\$ 2,150	\$ 2,400	\$ 2,800
Cost for 2" Water Service	2006	\$ 2,300	\$ 2,600	\$ 2,800	\$ 3,200	\$ 3,700
	2007	\$ 2,500	\$ 2,750	\$ 2,900	\$ 3,300	\$ 3,850

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 4, 2006

TO: Mike Wolski
Utility Financial Officer

FROM: Beth Troyer 
Administrative Services Officer II

SUBJECT: 2006 WATER RATE STUDY - TASK #30

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

Based on that review, we recommend the fire protection charges, meter installation fees, tapping permits, meter reading, monthly payment option, most miscellaneous permits and penalties remain as they are in the Rules and Regulations.

The only change is to the Security Deposit. Three times the average quarterly bill is now \$435.00.

The attached report summarizes those charges and fee changes as well as the City's current returned check charge of \$25.00, which was verified by the City Treasurer on October 4, 2006.

Attachment

FEEES 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

METER INSTALLATION FEES

<u>Meter Size</u>	<u>Fee</u>
3/4" or smaller	\$30.00
1"	35.00
1-1/2"	45.00
2"	45.00
3"	80.00
4"	150.00
6" and larger	200.00

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 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.....	\$435.00

MISCELLANEOUS PERMITS

	<u>Fee</u>
Street opening permit.....	\$25.00
Water inspection permit (each inspection)	20.00
Water inspection permit (outside the City).....	35.00
Repair in yard permit	20.00

PENALTIES

	<u>Fee</u>
Late-payment penalty.....	10% of net
Processing for non-payment shut-off.....	\$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.....	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

**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 18, 2006

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

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

SUBJECT: **WATER MAIN OVERSIZING RATES TASK #32, WATER SEWER RATE STUDY**

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, 2007, through December 31, 2007. 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 adjusted again next year. If you have any questions regarding this matter, please call me at extension 4238 (456-4238).

JCT/paz
Cc: Jeff McCaul
Mike Wolski
Bill DeYoung

RECEIVED

OCT 18 2006

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

SERVICE AREA MAPS AND SERVICE AREA LAND MASS SUMMARIES

The following summarizes Utility Services Districts (USD) land mass square miles for UAB partner communities, per maps on file as of October 6, 2006:

<u>UAB Partners</u>	<u>Sq. Miles of USD by CC</u>	<u>Percent</u>
Grand Rapids	45.36	33.436%
Walker	25.43	18.745%
Kentwood	14.00	10.320%
Cascade	23.53	17.345%
Grand Rapids Township	14.42	10.630%
Tallmadge Township	2.40	1.769%
East Grand Rapids	3.37	2.484%
Ada	7.15	5.271%
Total	<u>135.66</u>	<u>100.000%</u>

**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	\$ 58,793	12.50%
City & Customer Community Circuit Breaker	411,550	87.50%
Total	<u>\$ 470,343</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	\$ 411,550	100.00%
Less: Amount Applied in Current Rate Study	<u>(295,449)</u>	<u>-71.79%</u>
Total Revenue Credit- Next Year's Rate Study	<u>\$ 116,101</u>	<u>28.21%</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
SYSTEM ADDITIONS AND IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2006
TASKS NO. 1, 2, & 3**

COMMUNITY	LOCAL		TRUNK		INTERCEPTOR		TOTALS	
	FEET	MILES	FEET	MILES	FEET	MILES	FEET	MILES
Grand Rapids								
Construction	5,588	1.06	42	0.01		0.00	5,630	1.07
Abandonment	(2,580)	(0.49)		0.00		0.00	(2,580)	(0.49)
CSO Construction	2,201	0.42	11,371	2.15	4,060	0.77	17,632	3.34
CSO Abandonment	(3,143)	(0.60)	(6,098)	(1.15)	(5,648)	(1.07)	(14,889)	(2.82)
	<u>2,066</u>	<u>0.39</u>	<u>5,315</u>	<u>1.01</u>	<u>(1,588)</u>	<u>(0.30)</u>	<u>5,793</u>	<u>1.10</u>
Kentwood								
Construction	16,461	3.12	169	0.03		0.00	16,630	3.15
Abandonment		0.00		0.00		0.00	0	0.00
	<u>16,461</u>	<u>3.12</u>	<u>169</u>	<u>0.03</u>	<u>0</u>	<u>0.00</u>	<u>16,630</u>	<u>3.15</u>
Cascade Twp.								
Construction	1,605	0.30	553	0.10		0.00	2,158	0.40
Abandonment		0.00	(505)	(0.10)		0.00	(505)	(0.10)
	<u>1,605</u>	<u>0.30</u>	<u>48</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>1,653</u>	<u>0.30</u>
G.R. Twp.								
Construction	3,095	0.59		0.00		0.00	3,095	0.59
Abandonment		0.00		0.00		0.00	0	0.00
	<u>3,095</u>	<u>0.59</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>3,095</u>	<u>0.59</u>
Tallmadge Twp.								
Construction	6,818	1.29	2,992	0.57		0.00	9,810	1.86
Abandonment		0.00		0.00		0.00	0	0.00
	<u>6,818</u>	<u>1.29</u>	<u>2,992</u>	<u>0.57</u>	<u>0</u>	<u>0.00</u>	<u>9,810</u>	<u>1.86</u>
Walker								
Construction	4,399	0.83		0.00		0.00	4,399	0.83
Abandonment		0.00		0.00		0.00	0	0.00
	<u>4,399</u>	<u>0.83</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>4,399</u>	<u>0.83</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>34,444</u>	<u>6.52</u>	<u>8,524</u>	<u>1.61</u>	<u>(1,588)</u>	<u>(0.30)</u>	<u>41,380</u>	<u>7.83</u>

SEWER COSTS

COMMUNITY	COMMUNITY COST
Grand Rapids	\$ 268,266
Kentwood	1,170,933
Cascade Twp.	125,156
Grand Rapids Twp.	309,536
Tallmadge Twp.	1,337,555
Walker	375,996
Wright Twp.	-
TOTAL	<u>\$ 3,587,442</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, 2006**

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)	\$ 12,241,611	\$ 11,403,470	\$ 253,871	\$ 161,922	\$ 405,683					\$ 16,665				
4425	SEWER MAINTENANCE	4,131,084					194,533	469,043	3,467,508						
4413	CUSTOMER SERVICE *	2,892,733										2,892,733			
442305	INDUSTRIAL PRETREATMENT	602,775											602,775		
	SUBTOTAL OPERATING EXPENSE	19,868,203	11,403,470	253,871	161,922	405,683	194,533	469,043	3,467,508		16,665	2,892,733	602,775		
4410	ADMINISTRATION	2,168,424													2,168,424
	TOTAL	\$ 22,036,627	\$ 11,403,470	\$ 253,871	\$ 161,922	\$ 405,683	\$ 194,533	\$ 469,043	\$ 3,467,508	\$ 16,665	\$ 2,892,733	\$ 602,775	\$ 2,168,424		

* 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	93.153%														
	B. LIFT & METER STATIONS	6.847%														
	NO. OF STATIONS	(58)	(1)	(8)	(42)	(7)										
4425	SEWER MAINTENANCE	100.000%														
	TOTAL MILES	889.50														
	A. INTERCEPTOR MILES	41.89					4.709%									
	B. TRUNK LINES MILES	100.99					11.354%									
	C. LOCAL COLLECTOR MILES	746.62					83.937%		83.937%							
4413	CUSTOMER SERVICE	100.000%										100.000%				
442305	INDUSTRIAL PRETREATMENT	100.000%											100.000%			
4410	ADMINISTRATION	100.000%														100.000%

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED OPERATING EXPENSE ALLOCATION BY COST CENTER - TASK #5, PART 1
FISCAL YEAR ENDED JUNE 30, 2006**

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	INTERCEPTOR	TRUNK	LOCAL COLLECTOR				
4423	WASTEWATER TREATMENT (LESS 442305)	\$ 12,540,721	\$ 11,682,099	\$ 260,074	\$ 165,879	\$ 415,597					\$ 17,072				
4425	SEWER MAINTENANCE	4,340,451							204,392	492,815	3,643,244				
4413	CUSTOMER SERVICE *	2,967,659										2,967,659			
442305	INDUSTRIAL PRETREATMENT	638,436											638,436		
	SUBTOTAL OPERATING EXPENSE	20,487,267	11,682,099	260,074	165,879	415,597			204,392	492,815	3,643,244		2,967,659	638,436	-
4410	ADMINISTRATION	1,961,192													1,961,192
	TOTAL	\$ 22,448,459	\$ 11,682,099	\$ 260,074	\$ 165,879	\$ 415,597			\$ 204,392	\$ 492,815	\$ 3,643,244		\$ 2,967,659	\$ 638,436	\$ 1,961,192

* 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	93.153%														
	B. LIFT & METER STATIONS	6.847%	(58)	(1)	(8)	(42)										(7)
	NO. OF STATIONS															
4425	SEWER MAINTENANCE	100.000%	889.50													
	TOTAL MILES															
	A. INTERCEPTOR	4.709%	41.89						4.709%							
	MILES															
	B. TRUNK LINES	11.354%	100.99							11.354%						
	MILES															
	C. LOCAL COLLECTOR	83.937%	746.62								83.937%					
	MILES															
4413	CUSTOMER SERVICE	100.000%											100.000%			
442305	INDUSTRIAL PRETREATMENT	100.000%												100.000%		
4410	ADMINISTRATION	100.000%														100.000%

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED OPERATING EXPENSE ALLOCATION BY GOVERNMENTAL UNIT - TASK #5, PART 2
FISCAL YEAR ENDED JUNE 30, 2006**

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	\$ 11,682,099	\$ 11,682,099																
LIFT STATIONS:																		
A. INTERCEPTOR	260,074																	
B. TRUNK	165,879																	
C. LOCAL COLLECTOR	415,597																	
SEWER LINES:																		
A. INTERCEPTOR	204,392																	
B. TRUNK	492,815																	
C. LOCAL COLLECTOR	3,643,244																	
BULK METERING STATIONS	17,072																	
CUSTOMER ACCOUNTING	2,967,659																	
INDUSTRIAL PRETREATMENT	638,436	638,436																
SUBTOTAL OPERATING EXPENSE	20,487,267	12,320,535																
ADMINISTRATIVE EXPENSE	1,961,192	1,122,103																
TOTAL	\$ 22,448,459	\$ 13,442,638																

METHOD OF DISTRIBUTION

WASTEWATER TREATMENT	NO. OF STATIONS (56)	(13)	(6)	(1)	(10)	(17)	(3)	(1)	(1)	(3)	(2)	(1)	(1)
A. TREATMENT PLANT	100.000%												
B. LIFT & METER STATIONS (1)	100.000%												
SEWER LINES:													
TOTAL MILES:	889.50												
A. INTERCEPTOR		73.264%	8.355%	17.474%	0.907%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
MILES	41.89	30.69	3.50	7.32	0.38	-	-	-	-	-	-	-	-
B. TRUNK LINES		31.695%	27.508%	24.339%	8.654%	4.931%	2.753%	0.119%	0.000%	0.000%	0.000%	0.000%	0.000%
MILES	100.99	32.01	27.78	24.58	8.74	4.98	2.78	0.12	-	-	-	-	-
C. LOCAL COLLECTOR		63.295%	12.424%	9.611%	5.747%	7.407%	0.913%	0.603%	0.000%	0.000%	0.000%	0.000%	0.000%
MILES	746.62	472.57	92.76	71.76	42.91	55.30	6.82	4.50	-	-	-	-	-
CUSTOMER ACCTG (2)		79.808%	7.350%	5.696%	2.174%	4.516%	0.144%	0.312%					
NO. OF METERS	73,170.00	58,396.00	5,378.00	4,168.00	1,591.00	3,304.00	105.00	228.00					
INDUSTRIAL PRETREATMENT													
ADMINISTRATIVE EXPENSE (3)		27.867%	5.020%	3.702%	2.398%	3.107%	0.376%	0.207%	0.012%	0.030%	0.053%	0.013%	0.000%

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

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2006
RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 4410- ADMINISTRATION

EXPENDITURE SUB-OBJECT		OPERATING	ADJUSTED	ADJUSTED
NO.	DESCRIPTION	EXPENSES	COST	CURRENT
			FACTORS	ANNUAL
				EXPENSES
703	RETIREE HEALTH CARE	\$ -	\$ 12,435.56	\$ 12,435.56
706	PERMANENT EMPLOYEES	120,510.29	1,807.65	122,317.94
715	EMPLOYERS SOCIAL SECURITY	8,739.48	131.09	8,870.57
717	SPECIAL PENSION BENEFITS	3,652.07	-	3,652.07
719	HOSPITALIZATION INSURANCE	15,376.25	(2,106.55)	13,269.70
721	LONGEVITY PAY	1,296.00	-	1,296.00
722	RETIREMENT FUND CONTRIBUTION	15,736.96	393.42	16,130.38
	TOTAL PERSONAL SERVICES	<u>165,311.05</u>	<u>12,661.17</u>	<u>177,972.22</u>
728	SUPPLIES	1,151.49	-	1,151.49
	TOTAL SUPPLIES	<u>1,151.49</u>	<u>-</u>	<u>1,151.49</u>
810	BAD DEBT WRITE-OFFS	4,500.00	-	4,500.00
814	COMPUTER SERVICES	433,731.00	-	433,731.00
818	CONTRACTUAL SERVICES	26,514.60	-	26,514.60
872	PROFESSIONAL DEVELOPMENT	878.70	-	878.70
873	OTHER TRAVEL AND TRAINING	1,233.18	-	1,233.18
874	LOCAL BUSINESS EXPENSE	751.05	-	751.05
875	MEMBERSHIPS	1,844.00	-	1,844.00
876	PUBLICATIONS AND SUBSCRIPTIONS	1,024.95	-	1,024.95
900	PRINTING & PUBLISHING	2,949.40	-	2,949.40
919	INSURANCE PREMIUMS	115,154.00	-	115,154.00
928	TELEPHONE	1,219.57	-	1,219.57
942	BUILDINGS RENTALS OR LEASE	11,041.77	-	11,041.77
947	VEHICLE RENTAL/CAR MILEAGE	4,434.00	-	4,434.00
	TOTAL OTHER SERVICES & CHARGES	<u>605,276.22</u>	<u>-</u>	<u>605,276.22</u>
981	FURNITURE	1,898.57	-	1,898.57
	TOTAL CAPITAL	<u>1,898.57</u>	<u>-</u>	<u>1,898.57</u>
999	OPERATING TRANSFERS OUT	1,394,787.00	(219,894.00)	1,174,893.00
	TOTAL TRANSFERS/FEES	<u>1,394,787.00</u>	<u>(219,894.00)</u>	<u>1,174,893.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,168,424.33</u>	<u>\$ (207,232.83)</u>	<u>\$ 1,961,191.50</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2006
RATE STUDY- TASKS NO. 4 & 5**

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

<u>EXPENDITURE SUB-OBJECT</u>		<u>OPERATING</u>	<u>ADJUSTED</u>	<u>ADJUSTED</u>
<u>NO.</u>	<u>DESCRIPTION</u>	<u>EXPENSES</u>	<u>COST</u>	<u>CURRENT</u>
			<u>FACTORS</u>	<u>ANNUAL</u>
				<u>EXPENSES</u>
999	OPERATING TRANSFERS OUT *	\$ 2,892,733.09	\$ 74,925.59	\$ 2,967,658.68
	TOTAL TRANSFERS/FEES	<u>2,892,733.09</u>	<u>74,925.59</u>	<u>2,967,658.68</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 2,892,733.09</u>	<u>\$ 74,925.59</u>	<u>\$ 2,967,658.68</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, 2006
RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 4423- WASTEWATER

EXPENDITURE SUB-OBJECT		OPERATING EXPENSES	ADJUSTED COST FACTORS	ADJUSTED CURRENT ANNUAL EXPENSES
NO.	DESCRIPTION			
703	RETIREE HEALTH CARE		\$ 358,193.97	\$ 358,193.97
706	PERMANENT EMPLOYEES	3,465,627.37	51,984.41	3,517,611.78
707	TEMPORARY EMPLOYEES	20,557.57	308.36	20,865.93
708	SHIFT DIFFERENTIAL	10,219.33	-	10,219.33
709	TIME & ONE-HALF	59,567.41	893.51	60,460.92
710	ACT.ASSIGNMENT	1,902.37	28.54	1,930.91
712	UNEMPLOYMENT COMPENSATION	7,790.00	-	7,790.00
714	REGULAR HOURLY RATE	2,654.36	39.82	2,694.18
715	EMPLOYERS SOCIAL SECURITY	269,618.65	4,044.28	273,662.93
719	HOSPITALIZATION INSURANCE	952,870.32	(130,543.23)	822,327.09
721	LONGEVITY PAY	42,964.44	-	42,964.44
722	RETIREMENT FUND CONTRIBUTION	566,417.03	14,160.43	580,577.46
	TOTAL PERSONAL SERVICES	<u>5,400,188.85</u>	<u>299,110.09</u>	<u>5,699,298.94</u>
728	SUPPLIES	1,075,357.50	-	1,075,357.50
768	CLOTHING/CLEANING ALLOWANCE	4,924.03	-	4,924.03
	TOTAL SUPPLIES	<u>1,080,281.53</u>	<u>-</u>	<u>1,080,281.53</u>
818	CONTRACTUAL SERVICES	2,949,271.58	-	2,949,271.58
835	FEES	20,265.00	-	20,265.00
872	PROFESSIONAL DEVELOPMENT	776.00	-	776.00
873	OTHER TRAVEL AND TRAINING	10,311.00	-	10,311.00
875	MEMBERSHIPS	7,373.36	-	7,373.36
876	PUBLICATIONS AND SUBSCRIPTIONS	1,851.78	-	1,851.78
921	ELECTRICITY	1,711,523.80	-	1,711,523.80
922	WATER	78,808.06	-	78,808.06
923	GAS	382,261.28	-	382,261.28
928	TELEPHONE	115,188.68	-	115,188.68
930	MAINTENANCE REPAIR	281,607.53	-	281,607.53
943	EQUIPMENT RENTALS OR LEASE	159,317.42	-	159,317.42
947	VEHICLE RENTAL/CAR MILEAGE	4,186.49	-	4,186.49
959	REFUSE COLLECTION CHARGES	759.00	-	759.00
	TOTAL OTHER SERVICES & CHARGES	<u>5,723,500.98</u>	<u>-</u>	<u>5,723,500.98</u>
982	EQUIPMENT	37,639.80	-	37,639.80
	TOTAL CAPITAL	<u>37,639.80</u>	<u>-</u>	<u>37,639.80</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 12,241,611.16</u>	<u>\$ 299,110.09</u>	<u>\$ 12,540,721.25</u>

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2006
RATE STUDY- TASKS NO. 4 & 5**

ORGANIZATIONAL UNIT: 442305- IND. PRETREATMENT

EXPENDITURE SUB-OBJECT		OPERATING EXPENSES	ADJUSTED COST FACTORS	ADJUSTED CURRENT ANNUAL EXPENSES
NO.	DESCRIPTION			
703	RETIREE HEALTH CARE		\$ 37,918.10	\$ 37,918.10
706	PERMANENT EMPLOYEES	371,349.21	5,570.24	376,919.45
708	SHIFT DIFFERENTIAL	4.80	-	4.80
709	TIME & ONE-HALF	2,428.70	36.43	2,465.13
715	EMPLOYERS SOCIAL SECURITY	28,494.58	427.42	28,922.00
719	HOSPITALIZATION INSURANCE	71,855.94	(9,844.26)	62,011.68
722	RETIREMENT FUND CONTRIBUTION	62,150.61	1,553.77	63,704.38
	TOTAL PERSONAL SERVICES	<u>536,283.84</u>	<u>35,661.70</u>	<u>571,945.54</u>
728	SUPPLIES	7,800.18	-	7,800.18
730	POSTAGE	2,720.36	-	2,720.36
768	CLOTHING/CLEANING ALLOWANCE	147.50	-	147.50
	TOTAL SUPPLIES	<u>10,668.04</u>	<u>-</u>	<u>10,668.04</u>
810	BAD DEBT WRITE-OFFS	1,395.00	-	1,395.00
818	CONTRACTUAL SERVICES	38,273.13	-	38,273.13
872	PROFESSIONAL DEVELOPMENT	77.00	-	77.00
873	OTHER TRAVEL AND TRAINING	1,962.00	-	1,962.00
875	MEMBERSHIPS	625.00	-	625.00
900	PRINTING & PUBLISHING	679.14	-	679.14
943	EQUIPMENT RENTALS OR LEASE	12,811.41	-	12,811.41
	TOTAL OTHER SERVICES & CHARGES	<u>55,822.68</u>	<u>-</u>	<u>55,822.68</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 602,774.56</u>	<u>\$ 35,661.70</u>	<u>\$ 638,436.26</u>

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ADJUSTED ACTUAL EXPENSE
YEAR ENDED JUNE 30, 2006
RATE STUDY- TASKS NO. 4 & 5

ORGANIZATIONAL UNIT: 4425- REPAIR & MAINTENANCE

EXPENDITURE SUB-OBJECT		OPERATING EXPENSES	ADJUSTED COST FACTORS	ADJUSTED CURRENT ANNUAL EXPENSES
NO.	DESCRIPTION			
703	RETIREE HEALTH CARE		\$ 118,176.00	\$ 118,176.00
706	PERMANENT EMPLOYEES	1,142,037.50	17,130.56	1,159,168.06
707	TEMPORARY EMPLOYEES	482.60	7.24	489.84
708	SHIFT DIFFERENTIAL	3.05	-	3.05
709	TIME & ONE-HALF	71,596.42	1,073.95	72,670.37
710	ACT.ASSIGNMENT	5,174.32	77.61	5,251.93
714	REGULAR HOURLY RATE	2,332.17	34.98	2,367.15
715	EMPLOYERS SOCIAL SECURITY	92,921.51	1,393.82	94,315.33
718	SICK PAY ALLOWANCE	26.03	0.39	26.42
719	HOSPITALIZATION INSURANCE	435,960.49	(59,726.59)	376,233.90
721	LONGEVITY PAY	15,543.65	-	15,543.65
722	RETIREMENT FUND CONTRIBUTION	185,445.52	4,636.14	190,081.66
723	VACATION PAY	260.72	3.91	264.63
	TOTAL PERSONAL SERVICES	<u>1,951,783.98</u>	<u>82,808.01</u>	<u>2,034,591.99</u>
728	SUPPLIES	160,372.23	-	160,372.23
768	CLOTHING/CLEANING ALLOWANCE	10,048.74	-	10,048.74
	TOTAL SUPPLIES	<u>170,420.97</u>	<u>-</u>	<u>170,420.97</u>
818	CONTRACTUAL SERVICES	1,070,195.76	126,559.00	1,196,754.76
835	FEES	65.00	-	65.00
875	MEMBERSHIPS	75.00	-	75.00
876	PUBLICATIONS AND SUBSCRIPTIONS	71.07	-	71.07
912	CLAIMS	259,366.65	-	259,366.65
921	ELECTRICITY	10,379.94	-	10,379.94
922	WATER	4,412.20	-	4,412.20
923	GAS	17,891.87	-	17,891.87
928	TELEPHONE	5,776.01	-	5,776.01
930	MAINTENANCE REPAIR	20,006.56	-	20,006.56
931	HOME REPAIR	52,673.98	-	52,673.98
943	EQUIPMENT RENTALS OR LEASE	531,548.16	-	531,548.16
945	LAND RENTAL OR LEASE	4,661.83	-	4,661.83
947	VEHICLE RENTAL/CAR MILEAGE	1,104.00	-	1,104.00
959	REFUSE COLLECTION CHARGES	1,043.76	-	1,043.76
	TOTAL OTHER SERVICES & CHARGES	<u>1,979,271.79</u>	<u>126,559.00</u>	<u>2,105,830.79</u>
999	OPERATING TRANSFERS OUT	29,607.00	-	29,607.00
	TOTAL TRANSFERS/FEES	<u>29,607.00</u>	<u>-</u>	<u>29,607.00</u>
	ORGANIZATIONAL UNIT TOTAL	<u>\$ 4,131,083.74</u>	<u>\$ 209,367.01</u>	<u>\$ 4,340,450.75</u>

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2006

TO: Eric R. DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: FY 2006 OPERATING EXPENSES- SEWAGE PUMPING STATIONS

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

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

MW

Attachment

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**CITY OF GRAND RAPIDS, MICHIGAN
INVENTORY OF SEWAGE PUMPING STATIONS
FOR THE YEAR ENDED JUNE 30, 2006**

<u>Station</u>	<u>Physical Location</u>	<u>Type</u>	<u>FY'06 Expenses</u>
Market Avenue	Grand Rapids	Interceptor	\$ 253,871
Millbank	Grand Rapids	Local	4,013
Eastlake	Grand Rapids	Local	22,165
Eastern	Grand Rapids	Trunk	8,895
Middleboro	Grand Rapids	Trunk	15,901
Oak Hollow	Grand Rapids Twmsp	Local	22,223
Kingsbury	Walker	Trunk	12,149
Bona Vista	Grand Rapids	Trunk	10,947
Aberdeen	Grand Rapids	Local	11,455
O'Brien	Walker	Trunk	31,868
Leonard Heights	Walker	Trunk	13,462
Guild	Grand Rapids	Local	5,748
Orchard Vista	Cascade Twmsp	Local	4,460
Brookview	Grand Rapids	Trunk	14,843
Remembrance Road	Walker	Local	39,446
Kraft Avenue	Cascade Twmsp	Local	18,550
Thornapple	Cascade Twmsp	Trunk	53,857
Thornhills	Cascade Twmsp	Local	7,225
Greenbrier	Grand Rapids Twmsp	Local	8,285
Shore Haven	Grand Rapids Twmsp	Local	11,039
Ada	Ada	Local	9,149
Robinhood	Grand Rapids Twmsp	Local	21,975
Lincoln School	Grand Rapids Twmsp	Local	4,818
Reeds Lake Blvd.	Grand Rapids Twmsp	Local	10,746
6000 28th Street	Cascade Twmsp	Local	7,397
Ada	Ada	Meter	2,049
East Grand Rapids	East Grand Rapids	Meter	2,577
Brandau	North Kent	Meter	2,298
Briggs	North Kent	Meter	1,595
Gaines Township	Gaines Township	Meter	2,671
Kentwood	Kentwood	Meter	3,155
Alpine Township Meter	Alpine Township	Meter	2,320
Rickman Avenue	Grand Rapids	Local	9,396
Michigan Street	Grand Rapids	Local	5,504
Eagle Crest	Grand Rapids Twmsp	Local	7,395
East Paris	Grand Rapids Twmsp	Local	8,099
Alpine Estates	Walker	Local	11,027
Elmdale	Grand Rapids	Local	3,192
Collindale	Walker	Local	4,392
Saddleback	Grand Rapids Twmsp	Local	6,003
Arbor Hills Lift Station	Grand Rapids Twmsp	Local	6,991
Cypress Trails	Grand Rapids Twmsp	Local	5,212
Bird Avenue	Grand Rapids Twmsp	Local	27,029
Valentine	Grand Rapids Twmsp	Local	3,307
Cascade Springs	Cascade Twmsp	Local	7,861
Churchill Downs	Grand Rapids	Local	6,019
Woodsboro Court	Grand Rapids Twmsp	Local	3,159
Meadowood Trails	Cascade Twmsp	Local	2,965
Stonebridge	Grand Rapids Twmsp	Local	8,248
Burton/Spaulding	Cascade Twmsp	Local	
Burton/Cacade	Cascade Twmsp	Local	20,559
Crahen	Grand Rapids Twmsp	Local	7,129
Jonathan Woods	Cascade Twmsp	Local	5,466
Watermark	Cascade Twmsp	Local	6,491
Mountain Ash	Tallmadge Twmsp	Local	5,786
Reeds Hollow	Grand Rapids Twmsp	Local	5,919
Front & Wealthy	Grand Rapids	Interceptor	
16th Avenue Lift Station	Marne	Local	7,202
Hayes West Lift Station	Tallmadge	Local	6,880
Hayes East Lift Station	Tallmadge	Local	5,758
Meijer-Algoma Meter	Algoma (10 Mile Road & US131)	Local	

\$838,141

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 3, 2006

TO: Mike Wolski
Utility Financial Officer

FROM: Scott Buhrer 
Chief Financial Officer

SUBJECT: 2006 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
OCT 19 2006

Attachment

**CITY OF GRAND RAPIDS
SEWER DISPOSAL SYSTEM FUND
RATE STUDY TASK NO. 5
NOTES TO ADJUSTED CURRENT ANNUAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2006**

Sub-Object - 703

The factor to establish retiree health care cost for calendar year 2007 is 10.06%. The total of calendar year 2007's wages (sub-object 706) and longevity (sub-object 721) multiplied by this factor will establish the cost for calendar year 2007.

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

The wage increase factor to translate FY2006 actual costs to estimated calendar 2007 wages will be 1.5%. This wage increase estimate is based on contracts that began on 1/1/2006. Labor contracts expire on 12/31/06. Collective bargaining has not yet begun. Wage increases that may be effective as of 1/1/07 cannot be estimated.

Sub-Object - 715

Increase FY2006 actual FICA expense by 1.5% to account for the effect of the wage increases. Similar to wages, FICA expenses may or may not go up 1/1/07. The results of collective bargaining cannot be estimated.

Sub-Object - 719

Because FY2006 actuals include both active and retiree health costs, decrease FY2006 health insurance actual cost by 13.7% (multiply FY2006 actuals by 86.3%) to reflect changes in FY2007.

Sub-Object - 722

Increase FY2006 actual expense by 2.5% to reflect the effect of a general pension contribution rate and post 65 retiree contribution change from 16.74% to 16.91% and an estimated wage increase of 1.5% for FY2006, and a general pension contribution rate remaining at 16.91% with no increase in wages for FY2007.

Sub-Object - 999

Administration - Adjust FY2006 actual cost to reflect adjustments in charges for central services rendered by the Insurance Payment Fund and the General Operating Fund.

RECEIVED

OCT 19 2006

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: September 26, 2006

TO: Eric R. DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: 2006 SEWER RATE STUDY- TASK #5

Known cost increases by which to adjust FY06 operating costs include fund carry-forwards for projects that were not completed prior to June 30, 2006, are as follows:

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
4425-818	Nagel Construction	\$ 55,400
4425-818	American Water Service	71,159

MW

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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 9, 2006

TO: Eric R. DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: 2006 SEWER RATE STUDY- TASK #6

The Sewage Disposal System Fund's revenues and volumes by governmental unit for the year ended June 30, 2006 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 2006

**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, 2006:

RETAIL:	SALES REVENUE		VOLUME BILLED
	METERED SALES	SURCHARGES	(GALLONS)
CITY OF GRAND RAPIDS (1)	\$ 23,386,728.43	\$ 252,557.80	6,159,388,796
CITY OF WALKER	2,362,126.96	34,837.75	740,907,464
CITY OF KENTWOOD	2,363,922.40	340,799.38	1,121,706,784
CASCADE TOWNSHIP	1,447,800.59	20,661.67	350,540,476
GRAND RAPIDS TOWNSHIP	1,388,897.57		319,052,668
TALLMADGE TOWNSHIP	100,706.47		13,406,404
WRIGHT TOWNSHIP (2)	207,638.54	9,045.98	15,533,971
SUB-TOTAL RETAIL (3)	<u>\$ 31,257,820.96</u>	<u>\$ 657,902.58</u>	<u>8,720,536,563</u>
WHOLESALE:			
CITY OF E. GRAND RAPIDS	\$ 502,175.01		462,344,100
NORTH KENT AREA	1,750,228.73		1,511,947,685
ADA TOWNSHIP	456,830.99	233,979.34	327,601,352
GAINES TOWNSHIP	118,110.64		103,447,300
MEIJER - ALGOMA	4,222.73		6,493,015
SUB-TOTAL WHOLESALE	<u>\$ 2,831,568.10</u>	<u>\$ 233,979.34</u>	<u>2,411,833,452</u>
TOTAL	<u>\$ 34,089,389.06</u>	<u>\$ 891,881.92</u>	<u>11,132,370,015</u>

REVENUE CLASSIFICATION:

4410 - 607054 ADA SEWAGE SERVICE CHARGE	\$ 456,830.99
4410 - 607055 RETAIL SEWAGE SERVICE CHARGE	31,189,223.01
4410 - 607056 WYOMING SEWAGE SERVICE CHARGE	68,597.95
4410 - 607058 NORTH KENT SEWAGE SERVICE CHARGE	1,750,228.73
4410 - 607060 E. GRAND RAPIDS SEWAGE SERVICE CHARGE	502,175.01
4410 - 607062 GAINES TWP SEWAGE SERVICE CHARGE	118,110.64
4410 - 607014 MEIJER-ALGOMA SEWAGE SERVICE CHARGE	4,222.73
4423 - 607074 SEWAGE SURCHARGE	891,881.92
	<u>\$ 34,981,270.98</u>

- (1) THE VOLUME & DOLLAR AMOUNT FOR THE CITY OF WYOMING ARE INCLUDED IN THE GRAND RAPIDS TOTALS.
- (2) CHARGES TO USERS IN WRIGHT TOWNSHIP ARE BASED ON A REU (RESIDENTIAL EQUIVALENT UNIT) CHARGE, IN LIEU OF COMMODITY & MONTHLY SERVICE CHARGES, AND AS SUCH DOES NOT RECORD ANY BILLED VOLUME IN RETAIL SERVICE CHARGES TO WRIGHT TOWNSHIP. THE AMOUNT INCLUDED ABOVE REFLECTS THE ESTIMATED BILLED VOLUME BASED ON THE WWTP's LIFT STATION PUMPING REPORT FOR FY 2006.
- (3) A REVENUE ACCRUAL OF \$1,173,499 (+296,645,580 GALLONS) HAS BEEN PRORATED TO ALL RETAIL CUSTOMER COMMUNITIES HAVING COMMODITY RATES TO ACCRUE BILLINGS FROM THE LAST READING DATE THROUGH JUNE 30, 2006.

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
2006 RATE STUDY TASK NO. 6**

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

MUNICIPALITY	FY02		FY03		FY04		FY05		FY06		FY02-FY06	
	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE	VOL BILLED	% CHANGE
GRAND RAPIDS	6,680,002	-0.10%	6,673,066	-0.10%	6,254,185	-6.28%	6,125,981	-2.05%	6,159,389	0.55%	6,159,389	-7.79%
WALKER	708,130	2.54%	726,101	2.54%	719,570	-0.90%	791,795	10.04%	740,908	-6.43%	740,908	4.63%
KENTWOOD	1,037,751	2.87%	1,067,563	2.87%	1,019,952	-4.46%	1,032,023	1.18%	1,121,707	8.69%	1,121,707	8.09%
CASCADE	335,493	3.57%	347,477	3.57%	329,210	-5.26%	342,131	3.92%	350,540	2.46%	350,540	4.49%
GRAND RAPIDS TWP	273,470	9.78%	300,216	9.78%	292,933	-2.43%	298,115	1.77%	319,053	7.02%	319,053	16.67%
TALLMADGE	9,581	12.90%	10,817	12.90%	9,404	-13.06%	10,938	16.31%	13,406	22.56%	13,406	39.92%
WRIGHT TWP *			17,666		16,811	N/A	17,499	4.09%	15,534	-11.23%	15,534	N/A
EAST GRAND RAPIDS**	486,080	-10.18%	436,600	-10.18%	462,732	5.99%	436,613	-5.64%	462,344	5.89%	462,344	-4.88%
NORTH KENT AREA	1,749,824	-15.26%	1,482,714	-15.26%	1,461,954	-1.40%	1,513,329	3.51%	1,511,948	-0.09%	1,511,948	-13.59%
ADA TWP	277,370	-4.40%	265,176	-4.40%	305,816	15.33%	319,934	4.62%	327,601	2.40%	327,601	18.11%
GAINES TWP	84,389	19.56%	100,896	19.56%	104,762	3.83%	112,218	7.12%	103,447	-7.82%	103,447	22.58%
MEIJER - ALGOMA			5,041 *	N/A			3,848	-23.67%	6,493	68.74%	6,493	N/A
TOTAL	11,842,090	-1.84%	11,428,292	-1.84%	10,982,370	-3.90%	11,004,424	0.20%	11,132,370	1.16%	11,132,370	-4.38%

* ESTIMATED FLOW.

** FY02 BILLED VOLUME REFLECTS CREDIT REFERENCED IN TASK 9 OF 2002 RATE STUDY.

GRAND RAPIDS VOLUME COMPARED TO
CUSTOMER COMMUNITIES

VOLUME = 1,000 GALLONS	FY03		FY04		FY05		FY06	
	VOL BILLED	% OF TOTAL						
GRAND RAPIDS	6,673,066	58.39%	6,254,185	56.95%	6,125,981	55.67%	6,159,389	55.33%
CUSTOMER COMMUNITIES	4,755,226	41.61%	4,728,185	43.05%	4,878,443	44.33%	4,972,981	44.67%
TOTAL	11,428,292	100.00%	10,982,370	100.00%	11,004,424	100.00%	11,132,370	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	\$ 92,966.86
4410-607001	MISCELLANEOUS SERVICE FEES	10,780.43
4410-607057	INDUSTRIAL DISCHARGE AUTHORIZATION	40,880.95
4410-607043	PRELIM/DESIGN/CONSTR ENGINEERING	159,760.01
4410-658002	PAYMENT IN LIEU OF FINES	-
		\$ 304,388.25

CREDIT: UNDERUTILIZATION OF PENALTY CREDIT FROM PREVIOUS YEAR	\$ -
---	-------------

OTHER OPERATING REVENUES NOT INCLUDED:

CAPITAL CONTRIBUTION

4410-607061	SEWAGE FRONT FOOTAGE	\$ 140,673.00
	AUDITOR'S ADJUSTMENT	-
		\$ 140,673.00
4410-607059	INTEGRATED SEWER CONNECTION	\$ 1,428,021.00

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2006

TO: Michael Wolski
Utility Financial Officer

FROM: Randy Fisher *Randall Fisher*
Assistant Director of Environmental Services

SUBJECT: **2006 SEWER RATE STUDY- TASK #8**

No significant changes in operating levels are anticipated to take effect by January 1, 2007, which would require adjustments to operating costs for the test period.

RF\MW

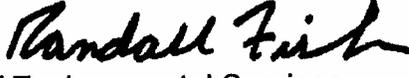
srs\stask8 2006

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2006

TO: Michael Wolski
Utility Financial Officer

FROM: Randy Fisher 
Assistant Director of Environmental Services

SUBJECT: **2006 SEWER RATE STUDY- TASK #9**

No significant changes in sewer revenues are anticipated to take effect by January 1, 2007, which would require an adjustment to operating revenue estimates as a whole.

RF\MW

srs\stask9 2006

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 20, 2006

TO: Michael Wolski
Utility Financial Officer

FROM: Charles R. Schroeder, PE
Hydraulic Engineer 

SUBJECT: 2006 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, 2007.

<u>Description</u>	<u>Location</u>	<u>Amount</u>
Robinhood LS Improvements	Grand Rapids Twp	\$ 173,808
Hall St- Buchanan/Division	Grand Rapids	115,280
Indian Mill Creek- Contract #1	Grand Rapids	3,242,624
Market Ave Pumping Station (MAPS) Improvements	Grand Rapids	7,661,591
CIPP Lining (Franklin Reservoir)	Grand Rapids	439,961
Sheldon Ave- Logan/Wealthy	Grand Rapids	1,708,488
Fuller Ave- Fountain/Michigan & Evangeline	Grand Rapids	1,033,912
Division Ave- Alger to Quigley	Grand Rapids	744,800
Ionia Ave- Lyon/Michigan	Grand Rapids	335,014
Thornapple LS Improvements	Cascade	134,224
WWTP Intercom System	Integrated	187,645
Beverly Hills- PH II	Grand Rapids Twp	265,439

CRSMW

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

"COMPUTE ACCUMULATED COST, DEPRECIATION AND DEPRECIATION EXPENSE AS OF JUNE 30, 2006"

INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 1,041,867	\$ -	\$ -
LAND IMPROVEMENTS	12,093,644	8,791,478	554,329
BUILDINGS & STRUCTURES	47,377,402	22,443,239	880,206
PROCESS EQUIPMENT	51,034,541	21,863,278	1,335,147
AUXILIARY EQUIPMENT	23,424,663	21,499,654	144,432
MACHINERY & EQUIPMENT	4,867,516	3,811,735	146,846
OFFICE EQUIPMENT & FURNITURE	628,067	568,634	20,835
	<u>\$ 140,467,700</u>	<u>\$ 78,978,018</u>	<u>\$ 3,081,795</u>

NON-INTEGRATED SYSTEM

	ORIGINAL COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE
LAND	\$ 1,310,287		
LAND IMPROVEMENTS	231,628	51,384	11,325
BUILDINGS & STRUCTURES	6,860,629	1,246,972	132,966
PROCESS EQUIPMENT	6,822,886	2,481,645	188,215
AUXILIARY EQUIPMENT	2,215,241	1,081,738	95,079
MACHINERY & EQUIPMENT	446,716	89,334	32,016
OFFICE EQUIPMENT & FURNITURE	68,632	50,330	4,576
SERVICEMAINS - GRAND RAPIDS	187,415,101	51,859,982	3,445,633
SERVICEMAINS - WALKER	24,776,301	8,830,214	487,687
SERVICEMAINS - KENTWOOD	24,419,201	8,875,005	476,675
SERVICEMAINS - CASCADE TWP	15,858,882	4,659,366	315,926
SERVICEMAINS - GRAND RAPIDS TWP	14,324,159	3,995,358	273,205
SERVICEMAINS - TALLMADGE TWP	4,859,472	360,251	72,754
SERVICEMAINS - WRIGHT TWP	125,288	1,253	1,253
	<u>\$ 289,734,423</u>	<u>\$ 83,582,832</u>	<u>\$ 5,537,310</u>
TOTAL	<u>\$ 430,202,123</u>	<u>\$162,560,850</u>	<u>\$ 8,619,105</u>

SOURCE: FINAL GENERAL LEDGER, AS ADJUSTED, FOR JUNE 30, 2006.

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

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

MATERIALS AND SUPPLIES INVENTORY AS OF JUNE 30, 2006: \$ 1,298,153

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 = \$22,448,459 @ 90/365 = \$ 5,535,236

TOTAL WORKING CAPITAL NEEDS CONSIST OF THE FOLLOWING:

12A INVESTMENT IN INVENTORY	\$ 1,298,153
12B PREPAYMENT OF OPERATING EXPENSES	-
12C 90 DAY OPERATING EXPENSES	5,535,236
	\$ 6,833,389
	\$ 6,833,389

**SEWER RATE STUDY
SEWAGE DISPOSAL SYSTEM FUND
ZONEGATED FACILITIES
TASK #13
October 5, 2006**

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 FY06 characteristics. Jointly used pumping stations were also prorated based on B&V zoning report. All zoning work papers are on file at the Coldbrook Complex. Maps are on file in the City Engineer's Office.

MW

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

	<u>MILLION GALLONS</u>
1.) ANNUAL WASTEWATER TREATMENT PLANT FLOW	
LESS: WHOLESALE BILLED FLOW	17,525.22
LESS: RETAIL BILLED FLOW	(2,411.83)
	<u>(8,720.54)</u>
TOTAL RETAIL I/I & OTHER FLOW	6,392.85
2.) RETAIL INFLOW FROM SEPARATED AREAS (A)	494.90
RETAIL INFLOW FROM COMBINED AREAS - AMOUNT ESTIMATED (A)	667.32
LESS: ANNUAL BYPASS FROM (3) PUMPING STATIONS	-
LESS: IN-SYSTEM BYPASS & RETENTION BASIN OVERFLOW	(7.78)
TOTAL RETAIL INFLOW	<u>1,154.44</u>
3.) RETAIL INFILTRATION:	
TOTAL RETAIL I/I & OTHER FLOW	6,392.85
LESS: TOTAL RETAIL INFLOW (#2)	<u>(1,154.44)</u>
LESS: MARKET AVE RETENTION BASIN (MARB) CAPTURE	5,238.41
TOTAL RETAIL INFILTRATION & OTHER FLOW	<u>(83.68)</u>
4.) ALLOCATION OF RETAIL INFILTRATION & OTHER FLOW - APPORTIONED ON THE BASIS OF B&V SUMMARY OF 1997 MONITORED FLOW DATA (B)	5,154.73

	<u>MILLION GALLONS</u>
GOVERNMENTAL UNIT(S)	
UTILITY PARTNERS	5,154.73
TOTAL	<u>5,154.73</u>

(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	9,516.97	1,154.44	5,154.73	71.53	15,897.67	90.7131%	43.5554
NORTH KENT	1,511.95	-	-	11.37	1,523.32	8.6922%	4.1735
GAINES TWP	103.45	-	-	0.78	104.23	0.5947%	0.2856
TOTAL	11,132.37	1,154.44	5,154.73	83.68	17,525.22	100.0000%	48.0145

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

MEMORANDUM

CITY OF GRAND RAPIDS

Date: January 31, 2007

To: Michael Wolski
Utility Financial Officer

From: Randall Fisher
Assistant Director of Environmental Services

Subject: FY06 Wastewater Plant Flow Data - Revised

Randall Fisher

Listed below is the flow data for the last completed fiscal year. Compared to last years report the plant flow decreased by 1.57% from 17,804.99 million gallons treated in FY05 to 17,525.22 million gallons treated in FY06.

If you have any questions, please contact me.

Monthly data

Month	Total MG
July	1332.9
August	1316.61
September	1300.28
October	1234.64
November	1377.73
December	1337.09
January	1722.34
February	1515.75
March	1795.07
April	1530.42
May	1648.97
June	1413.42
Total	17525.22

Fiscal year data

Wastewater Treatment Plant (WWTP) avg. daily flow (MG)	48.0143
Rainfall recorded at WWTP (inches)	30.12
In-System overflows (MG) (report attached)	7.78
Market Avenue Retention Basin (MARB) inflow (MG)*	83.68
Market Avenue Retention Basin (MARB) overflow (MG)	0.00

* Revised to reflect wet weather inflow only

Attachment

Copy
Rick DeVries, Acting City Engineer

0860.DOC

CITY OF GRAND RAPIDS, MICHIGAN
LONG TERM OVERFLOW MONITORING REPORT
OVERFLOW VOLUME SUMMARY
FISCAL YEAR 2006

Overflow Date	Rainfall Inches(1)	Pumping Station Overflows				West Side Ditch MG	In-System Overflows		Total Overflow Volume MG	
		MAPS(2) MG(5)	F/W(3) MG	MARB(4) MG	Total MG		Monitored MG	Modeled MG		
7/23/2005	0.65	0.000	0.000	0.000	0.000	0.000	0.301	0.000	0.301	
7/26/2005	0.37	0.000	0.000	0.000	0.000	0.000	0.033	0.000	0.033	
8/16/2005	0.32	0.000	0.000	0.000	0.000	0.000	0.024	0.000	0.024	
8/27/2005	0.68	0.000	0.000	0.000	0.000	0.000	0.310	0.000	0.310	
9/14/2005	0.8	0.000	0.000	0.000	0.000	0.000	0.169	0.000	0.169	
9/22/2005	1.16	0.000	0.000	0.000	0.000	0.000	0.398	0.000	0.398	
9/25/2005	0.25	0.000	0.000	0.000	0.000	0.000	0.002	0.000	0.002	
9/28/2005	1.01	0.000	0.000	0.000	0.000	0.000	0.298	0.000	0.298	
11/5/2005	0.82	0.000	0.000	0.000	0.000	0.000	0.366	0.000	0.366	
11/9/2005	1.24	0.000	0.000	0.000	0.000	0.000	1.005	0.000	1.005	
1/2/2006	0.66	0.000	0.000	0.000	0.000	0.000	0.284	0.000	0.284	
2/16/2006	1.67	0.000	0.000	0.000	0.000	0.000	1.457	0.000	1.457	
3/9/2006	0.72	0.000	0.000	0.000	0.000	0.000	0.080	0.000	0.080	
3/10/2006	0.86	0.000	0.000	0.000	0.000	0.000	0.253	0.000	0.253	
3/13/2006	1.05	0.000	0.000	0.000	0.000	0.000	0.533	0.000	0.533	
5/11/2006	1.35	0.000	0.000	0.000	0.000	0.000	0.146	0.000	0.146	
5/30/2006	0.96	0.000	0.000	0.000	0.000	0.000	1.107	0.000	1.107	
6/2/2006	0.47	0.000	0.000	0.000	0.000	0.000	0.650	0.000	0.650	
6/3/2006	0.48	0.000	0.000	0.000	0.000	0.000	0.364	0.000	0.364	
		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
								Total		7.780

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

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 23, 2006

TO: Michael Wolski
Utility Financial Officer

FROM: Charles R. Schroeder, PE
Hydraulic Engineer

SUBJECT: **2006 Sewer Rate Study - Task #14**

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.

CS/MW

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**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	\$ 16,042,786	
	- TASK #11	430,202,123	
	- TASK #16/21	<u>(120,326,659)</u>	\$ 325,918,250
LESS: ACCUMULATED DEPRECIATION	- TASK #10	\$ -	
	TASK #11	162,560,850	
	TASK #16/21	<u>(22,183,398)</u>	<u>(140,377,452)</u>
			185,540,798
WORKING CAPITAL REQUIREMENT	- TASK #12	\$ 6,833,389	
			<u>6,833,389</u>
			192,374,187
CONTRIBUTIONS BY OTHERS	- TASK #21	\$ 176,281,763	
LESS: AMORTIZATION		(93,842,071)	
			<u>(82,439,692)</u>
CONSTRUCTION COST RATE BASE			<u><u>\$ 109,934,495</u></u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 9, 2006

TO: Michael E. Wolski
Utility Financial Officer

FROM: Linda Wagenmaker *LW*
Financial Analyst

**SUBJECT: 2006 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, 2007. 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, 2007 is as follows:

August, 2005 Index	196.4
August, 2006 Index	203.9
Increase	7.5
Percentage increase	3.8%

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>1/01/06</u>	<u>1/01/07</u>
3/4 or less	\$ 2,350	\$2,450
1	3,900	4,100
1 ½	7,850	8,150
2	12,550	13,050
3	27,400	28,600
4	49,350	51,450
6 and over	109,650	114,350

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 2007 - ACCRUAL BASIS

DATE	SRF/REVENUE REFERENCE	REVENUE BONDS			STATE REVOLVING FUNDS			TOTAL		
		5073-SERIES	PRINCIPAL	INTEREST	TRUSTEE	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL & INTEREST
07/01/07	N/A	1998 (1)	\$ 1,221,858.00	\$ 741,576.78	\$ 1,250.00			\$ -	\$ 742,826.78	\$ 742,826.78
01/01/08	N/A	1998 (1)		741,576.78	1,250.00			1,221,858.00	742,826.78	1,964,684.78
07/01/07	N/A	2004 (2)		704,250.00	600.00			0.00	704,850.00	704,850.00
01/01/08	N/A	2004 (2)		704,250.00	600.00			0.00	704,850.00	704,850.00
07/01/07	N/A	2005 (3)		524,400.00	800.00			0.00	525,200.00	525,200.00
01/01/08	N/A	2005 (3)		524,400.00	800.00			0.00	525,200.00	525,200.00
04/01/07	01	1991 SRF				\$ 65,000.00		0.00	2,400.00	2,400.00
10/01/07								65,000.00	4,800.00	69,800.00
04/01/08								0.00	2,075.00	2,075.00
04/01/07	02/03	1992A SRF				760,000.00		0.00	28,250.00	28,250.00
10/01/07								760,000.00	56,500.00	816,500.00
04/01/08								0.00	24,450.00	24,450.00
04/01/07	04	1992B SRF				90,000.00		0.00	3,375.00	3,375.00
10/01/07								90,000.00	6,750.00	96,750.00
04/01/08								0.00	2,925.00	2,925.00
04/01/07	06	1993A SRF				555,000.00		0.00	20,625.00	20,625.00
10/01/07								555,000.00	41,250.00	596,250.00
04/01/08								0.00	17,850.00	17,850.00
04/01/07	07	1993B SRF				485,000.00		0.00	19,675.00	19,675.00
10/01/07								485,000.00	39,350.00	524,350.00
04/01/08								0.00	17,250.00	17,250.00
04/01/07	09	1994A SRF				615,000.00		0.00	24,450.00	24,450.00
10/01/07								615,000.00	48,900.00	663,900.00
04/01/08								0.00	21,375.00	21,375.00
04/01/07	10	1994B SRF				210,000.00		0.00	17,050.00	17,050.00
10/01/07								210,000.00	29,900.00	289,900.00
04/01/08								0.00	14,950.00	14,950.00
04/01/07	11	1995A SRF				108,330.19		0.00	12,093.51	12,093.51
10/01/07								108,330.19	21,749.58	121,082.70
04/01/08								0.00	10,874.79	10,874.79
04/01/07	12	1995B SRF				170,000.00		0.00	10,771.88	10,771.88
10/01/07								170,000.00	21,543.75	191,543.75
04/01/08								0.00	9,815.63	9,815.63
								\$4,603,480.43	\$4,476,752.70	\$9,080,233.13

(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 2007

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

INCLUDE PROJECT COST 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	REPLACEMENT OF THE MIDDLEBORO LIFT STATION	\$ 2,000,000
2	IMPROVEMENTS TO LIFT STATIONS - EAGLECREST, KINGSBURY, LEONARD HEIGHTS, THORNHILLS	506,000
3	REPLACE REEDS LAKE LIFT STATION & FORCEMAIN	1,500,000
4	28TH STREET FORCEMAIN	1,800,000
5	3 MILE/REMEMBRANCE LS IMPROVEMENTS *	825,000
6	INDIAN MILL CREEK SEWER	10,257,000
7	TALLMAN CREEK SEWER	5,876,000
8	MARKET AVENUE PUMPING STATION IMPROVEMENTS	750,000
9	SADDLEBACK SEWER	15,000,000
		<u>\$ 38,514,000</u>

**Reflects estimate for initial phase.*

NOTE: NONE OF THE PROJECTS ABOVE ARE INCLUDED IN RECOMMENDED REVENUE REQUIREMENTS FOR CALENDAR YEAR 2007.

SOURCE: CHUCK SCHROEDER, HYDRAULIC ENGINEER
OCTOBER 2006

**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
2007	721,766.50	956,359.76	1,678,126.26	721,766.50	938,315.60	1,660,082.10
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	\$ 109,934,495
LESS: BONDED INDEBTEDNESS (ACCRUAL) - TASK NO. 17 / 20	(62,913,099) *
NET SEWER SYSTEM EQUITY	\$ 47,021,396

* INCLUDES 1998/2004/2005 BOND PROCEEDS FOR FOLLOWING:

1998 BONDS- \$31.975M

BRIGGS BLD/MONROE	\$ 1,535,859
WWTP- MAINT/GEN STORAGE	1,754,062
CSO- W5- #54	486,773
CSO- W5- #53	2,383,405
WWTP- AERATION IMPROVEMENTS	3,636,635
SEWER MAINT. BLD	1,283,535
MONROE AVE	1,838,323
IONIA- BARTLETT/CHERRY	133,922
CELEBRATION VILLAGE/CINEMA	999,935
FULTON- UNION/BENJAMIN	561,301
N PARK- MONROE/COIT	216,677
MONROE- TROWBRIDGE/Newberry	266,804
WEALTH ST EXT JUNC. CHAMBER	458,953
WEALTH ST- EASTERN / FULLER	1,166,000
EAST PARIS LS IMPROVEMENTS	323,478
GRIT UNLOADING STATION	639,596
FINAL EFFLUENT DISINFECTION	5,311,900
FLOW METER REPLACEMENT	891,317
AERATION & CLARIFIERS IMPR's	7,758,317
MAPS IMPROVEMENTS (#10)	513,000
DIVISION- ALGER/QUIGLEY (#10)	744,800

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)	393,635

2005 BONDS

MAPS IMPROVEMENTS (#10)	3,410,088
INDIAN MILL CRK (#10)	2,848,989
FULLER- FOUNTAIN/MICH & EVANGELINE	1,033,912

\$ 46,194,830

**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>
13-Oct-05	4.510%	12-Apr-06	4.570%
20-Oct-05	4.470%	20-Apr-06	4.590%
27-Oct-05	4.560%	27-Apr-06	4.590%
03-Nov-05	4.630%	04-May-06	4.630%
09-Nov-05	4.610%	11-May-06	4.630%
17-Nov-05	4.520%	18-May-06	4.580%
22-Nov-05	4.510%	25-May-06	4.520%
01-Dec-05	4.530%	01-Jun-06	4.570%
08-Dec-05	4.490%	08-Jun-06	4.480%
15-Dec-05	4.480%	15-Jun-06	4.580%
22-Dec-05	4.420%	22-Jun-06	4.680%
29-Dec-05	4.380%	29-Jun-06	4.710%
05-Jan-06	4.350%	06-Jul-06	4.690%
12-Jan-06	4.370%	13-Jul-06	4.620%
19-Jan-06	4.330%	20-Jul-06	4.590%
26-Jan-06	4.420%	27-Jul-06	4.550%
02-Feb-06	4.430%	03-Aug-06	4.490%
09-Feb-06	4.420%	10-Aug-06	4.450%
16-Feb-06	4.410%	17-Aug-06	4.390%
23-Feb-06	4.360%	24-Aug-06	4.340%
02-Mar-06	4.390%	31-Aug-06	4.300%
09-Mar-06	4.450%	07-Sep-06	4.340%
16-Mar-06	4.400%	14-Sep-06	4.300%
23-Mar-06	4.430%	21-Sep-06	4.210%
30-Mar-06	4.530%	28-Sep-06	4.230%
06-Apr-06	4.560%	05-Oct-06	4.250%
		<u>52 WEEKS</u>	<u>4.478%</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	\$ 47,021,396	@ 5.478%	= \$ 2,575,832
SEWER SYSTEM INDEBTEDNESS IN THE CONSTRUCTION COST RATE BASE			
1998 ISSUE (REFIN. AMT. OF 1990 ISSUE)	17,647,861	@ 5.060%	= 892,982
1998 ISSUE	31,975,000	@ 5.060%	= 1,617,935
2004 ISSUE	5,997,249	@ 4.970%	= 298,063
2005 ISSUE	7,292,989	@ 4.900%	= 357,356
LESS INTEREST ON BOND RESERVE AND REPLACEMENT ACCOUNTS			(90,469)
	\$ 109,934,495		\$ 5,651,699
COMPOSITE RATE OF RETURN ON INVESTMENT		\$ 5,651,699	= 5.141%
		109,934,495	

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, 2006

PHYSICAL LOCATION

DESCRIPTION	RETAIL										WHOLESALE				TOTAL
	INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MELER-ALGOMA		
COST	\$ 140,665,345	\$ 86,347,133	\$ 25,010,433	\$ 22,048,980	\$ 16,221,178	\$ 15,115,820	\$ 4,110,442	\$ 118,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 311,627,461	
LESS: ACCUMULATED DEPRECIATION	76,978,018	30,761,409	8,812,374	7,657,028	4,890,641	3,925,152	380,239	16,523	-	-	-	-	-	135,229,304	
NET BOOK VALUE	\$ 61,677,327	\$ 57,585,724	\$ 16,198,059	\$ 14,391,952	\$ 11,330,537	\$ 11,190,668	\$ 3,730,203	\$ 101,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,398,077	
WORKING CAPITAL REQUIREMENT	4,109,600	1,710,466	324,859	219,488	163,386	218,327	18,792	21,047	4,032	29,384	10,250	3,890	68	6,833,389	
CONTRIBUTIONS	65,786,927	59,286,190	16,522,918	14,611,540	11,685,923	11,408,995	3,746,985	122,754	4,032	29,384	10,250	3,890	68	183,231,466	
LESS AMORTIZATION	47,596,435	51,570,290	22,419,656	21,861,143	15,865,079	13,170,634	3,756,526	-	-	-	-	-	-	176,281,763	
CONSTRUCTION COST RATE BASE	(34,813,398)	(35,600,824)	(7,650,688)	(7,680,490)	(4,624,534)	(3,093,037)	(953,000)	-	-	-	-	-	-	(93,842,071)	
RETURN ON INVESTMENT- TASK 20	(12,783,037)	(15,989,366)	(14,203,653)	(11,260,553)	(9,461,597)	(3,395,526)	-	-	-	-	-	-	-	(82,439,692)	
	53,003,890	43,326,824	1,153,950	410,667	425,378	1,947,398	353,469	122,754	4,032	29,384	10,250	3,890	68	100,791,774	
RETURN ON INVESTMENT- TASK 20	\$ 2,724,930	\$ 2,227,432	\$ 59,325	\$ 21,113	\$ 21,869	\$ 100,116	\$ 16,172	\$ 6,311	\$ 207	\$ 1,511	\$ 527	\$ 190	\$ 3	\$ 5,181,706	

ZONEGATED

COST	\$ -	\$ (3,517,053)	\$ 4,646,336	\$ 1,656,056	\$ 1,394,999	\$ 1,478,620	\$ 32,713	\$ 840,338	\$ 262,782	\$ 5,041,188	\$ 708,380	\$ 922,327	\$ 19,503	\$ 13,485,789
LESS: ACCUMULATED DEPRECIATION	-	(536,405)	1,115,731	891,430	783,009	645,248	48,747	78,072	223,629	1,107,488	436,275	336,961	4,021	5,134,206
NET BOOK VALUE	\$ -	\$ (2,980,648)	\$ 3,530,605	\$ 764,626	\$ 611,990	\$ 833,372	\$ (16,034)	\$ 762,266	\$ 39,153	\$ 3,933,700	\$ 272,105	\$ 585,366	\$ 15,482	\$ 8,351,583
WORKING CAPITAL REQUIREMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS	-	(2,980,648)	3,530,605	764,626	611,990	833,372	(16,034)	762,266	39,153	3,933,700	272,105	585,366	15,482	8,351,583
LESS AMORTIZATION	-	-	8,554	1,344,191	330,476	101,640	110	128	12,203	(12,203)	(89,325)	(271,118)	52	2,836,289
CONSTRUCTION COST RATE BASE	-	-	(8,554)	(564,560)	(138,600)	(43,629)	(110)	(128)	-	-	(89,325)	(271,118)	(52)	(1,128,479)
RETURN ON INVESTMENT- TASK 19/21	-	(2,980,648)	3,530,605	(779,631)	(191,976)	(58,011)	-	-	-	-	(123,353)	(555,139)	-	(1,707,810)
RETURN ON INVESTMENT- TASK 19/21	\$ -	\$ (312,312)	\$ 369,937	\$ (1,572)	\$ 43,999	\$ 81,242	\$ (1,680)	\$ 79,870	\$ 4,102	\$ 202,232	\$ 15,586	\$ 1,554	\$ 1,622	\$ 484,580
RETURN ON INVESTMENT- TASK 19/21	10.478%	10.478%	10.478%	10.478%	10.478%	10.478%	10.478%	10.478%	10.478%	10.478%	10.478%	10.478%	10.478%	10.478%
TOTAL RETURN ON INVESTMENT	\$ 2,724,930	\$ 1,915,120	\$ 429,262	\$ 19,541	\$ 65,868	\$ 181,358	\$ 16,492	\$ 86,181	\$ 4,309	\$ 203,743	\$ 16,113	\$ 1,744	\$ 1,625	\$ 5,666,286

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
CONSTRUCTION COST & ACCUMULATED DEPRECIATION- TASK NO. 21- PART2
FISCAL YEAR ENDED JUNE 30, 2006**

CONSTRUCTION COST

COST CENTER	AMOUNT	RETAIL										WHOLESALE			TOTAL
		INTEGRATED SYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CITY OF CASCADE TOWNSHIP	GR TOWNSHIP	TALLMADGE TOWNSHIP	WRIGHT TOWNSHIP	CITY OF EAST GR	N. KENT AREA	ADA TOWNSHIP	GAINES TOWNSHIP	MEIJER-ALGOMA	
BY PHYSICAL LOCATION-TASK 11		\$ 140,467,700	\$ 203,630,977	\$ 25,367,649	\$ 24,419,201	\$ 16,066,954	\$ 14,816,878	\$ 5,216,418	\$ 196,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,202,123
ADD-IN SERVICE-TASK 10		187,645	15,281,670			134,224	439,247	(515,311)	(78,116)						16,042,786
MARINE CONNECTOR AGREEMENT			(211,573)												(805,000)
TASK 11/16/21- CSO FA AMT			(120,326,659)												(120,326,659)
LIFT STATIONS / CHAMBERS:															
FULLER-BROOKVIEW	\$ 1,252,893		(707,594)				394,674								
FULTON- MIDDLEBORROW	37,983		(37,433)				37,433								
WEALTHY ST EXT. CHAMBER	458,953		(95,751)	90,230			5,521								
MARKET	9,138,771		(2,927,787)	1,104,877			209,186	14,256	16,541				6,763		
VANPORTLIET	44,816		6,339	(6,339)											
REMEMBRANCE / 3 MILE															
16th AVENUE	71,058														
HAYES- WEST	141,105							(141,105)	141,105						
HAYES- EAST	215,841														
O'BRIEN	546,532		21,768	(52,193)				30,425							
THORNAPPLE															
ROBINHOOD	55,478														
CASCADE SPRINGS	72,602														
SHOREHAVEN	96,639														
KRAFT	72,602														
BIRD AVE-ALPINE ESTATES	323,478														
EAST PARIS															
SERVICEMAINS			(9,791,477)	3,140,760	(714,265)	1,394,599	697,022	(467,049)	662,468	262,782	3,151,713	708,380	922,327	12,740	
ADJUSTED BY ZONEGATING		\$ 140,655,345	\$ 84,830,080	\$ 29,656,769	\$ 23,704,936	\$ 17,615,777	\$ 16,594,440	\$ 4,143,155	\$ 958,568	\$ 262,782	\$ 5,041,188	\$ 708,380	\$ 922,327	\$ 19,503	\$ 325,113,250
ZONEGATING ADJUSTMENT			\$ (3,517,053)	\$ 4,646,336	\$ 1,856,056	\$ 1,304,599	\$ 1,478,620	\$ 32,713	\$ 840,338	\$ 262,782	\$ 5,041,188	\$ 708,380	\$ 922,327	\$ 19,503	\$ 13,485,789
PHYSICAL LOCATION		\$ 140,655,345	\$ 88,347,133	\$ 25,010,433	\$ 22,048,880	\$ 16,221,178	\$ 15,115,820	\$ 4,110,442	\$ 118,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 311,627,461

ACCUMULATED DEPRECIATION

BY PHYSICAL LOCATION-TASK 11		\$ 78,978,018	\$ 56,579,204	\$ 9,000,368	\$ 8,875,005	\$ 4,698,642	\$ 4,023,366	\$ 391,300	\$ 14,947	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,560,850
ADD-IN SERVICE-TASK 10															
MARINE CONNECTOR AGREEMENT			(39,817)					24,379	1,576						(13,862)
TASK 11/16/21- CSO ACC DEP			(22,183,398)												(22,183,398)
LIFT STATIONS / CHAMBERS:															
FULLER-BROOKVIEW	\$ 279,893		(158,061)				88,169				69,882				
FULTON- MIDDLEBORROW	35,975		(35,454)				35,454								
WEALTHY ST EXT. CHAMBER	45,284		(9,446)	8,903			545								
MARKET	20,444		(12,460)	11,785			224		224		451				
MARKET	1,477,180		(473,244)	178,591			33,813	2,304	2,674		254,769			1,093	
VANPORTLIET	44,816		6,339	(6,339)											
REMEMBRANCE / 3 MILE															
16th AVENUE	13,694														
HAYES- WEST	21,156							(21,156)	21,156						
HAYES- EAST	9,883														
O'BRIEN	125,338		4,992	(11,970)											
THORNAPPLE	23,998														
ROBINHOOD															
CASCADE SPRINGS	15,278														
SHOREHAVEN															
KRAFT															
BIRD AVE-ALPINE ESTATES	6,443														
EAST PARIS	21,565														
SERVICEMAINS			(3,453,649)	746,767	(326,547)	783,008	389,598	24,636	54,018	223,629	782,376	436,275	336,961	2,928	
ADJUSTED BY ZONEGATING		\$ 78,978,018	\$ 30,225,004	\$ 9,928,105	\$ 8,548,458	\$ 5,481,650	\$ 4,570,400	\$ 428,986	\$ 94,595	\$ 223,629	\$ 1,107,488	\$ 436,275	\$ 336,961	\$ 4,021	\$ 140,363,590
ZONEGATING ADJUSTMENT			\$ (536,405)	\$ 1,115,731	\$ 891,430	\$ 783,009	\$ 645,248	\$ 48,747	\$ 78,072	\$ 223,629	\$ 1,107,488	\$ 436,275	\$ 336,961	\$ 4,021	\$ 5,134,206
PHYSICAL LOCATION		\$ 78,978,018	\$ 30,761,409	\$ 8,812,374	\$ 7,657,028	\$ 4,698,641	\$ 3,925,152	\$ 360,239	\$ 16,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,229,384

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
CONTRIBUTIONS & AMORTIZED CONTRIBUTIONS - TASK NO. 21- PART3
FISCAL YEAR ENDED JUNE 30, 2006**

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			
2005 RATE STUDY (LOCATION)	\$ 47,596,435	\$ 51,280,959	\$ 21,997,491	\$ 20,865,724	\$ 15,759,923	\$ 12,842,145	\$ 2,420,871										\$ 117,553,648
ADDITIONS:																	
CONNECTION & FRONT FOOT FEES		21,065	56,169	44,486	18,953												140,673
FIXED ASSET CONTRIBUTIONS		268,266	375,996	1,170,933	125,156	309,536	1,337,555										3,587,442
PLASTER CREEK INTERCEPTOR GRANT	\$ 2,244,621																
INTERCEPTOR	1,314,819																
LIFT STATION	70,753																
ADJUSTED BY ZONEGATING		\$ 51,570,290	\$ 22,428,210	\$ 23,225,334	\$ 16,215,555	\$ 13,272,274	\$ 3,758,636	\$ 128	\$ 12,203	\$ 212,678	\$ 826,257	\$ 52					\$ 176,281,763
ZONEGATING ADJUSTMENT			\$ 8,554	\$ 1,344,191	\$ 330,476	\$ 101,640	\$ 110	\$ 128	\$ 12,203	\$ 212,678	\$ 826,257	\$ 52					\$ -
PHYSICAL LOCATION		\$ 51,570,290	\$ 22,419,656	\$ 21,881,143	\$ 15,885,079	\$ 13,170,634	\$ 3,758,526										\$ 176,281,763

AMORTIZED CONTRIBUTIONS

2005 RATE STUDY (LOCATION)	\$ 33,769,132	\$ 34,572,201	\$ 6,639,087	\$ 7,256,672	\$ 4,308,084	\$ 3,452,185	\$ 301,160										\$ 90,286,521
CURRENT YEAR ADJUSTMENT	1,044,266	1,028,723	411,601	423,818	316,450	256,852	61,840										3,543,550
PLASTER CREEK INTERCEPTOR GRANT	\$ 34,813,398	\$ 35,600,924	\$ 7,050,688	\$ 7,680,490	\$ 4,624,534	\$ 3,709,037	\$ 363,000										\$ 83,842,071
INTERCEPTOR				564,560	138,800	42,009					89,325	28,207					
LIFT STATION												242,911					
ADJUSTED BY ZONEGATING																	
ZONEGATING ADJUSTMENT																	
PHYSICAL LOCATION																	

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
RECONCILIATION OF CONSTRUCTION COST & ACCUMULATED DEPRECIATION- PHYSICAL LOCATION & ZONEGATING
FISCAL YEAR ENDED JUNE 30, 2006**

COST CENTER	AMOUNT	CITY OF GR		CITY OF WALKER		CITY OF KENTWOOD		RETAIL		WHOLESALE		MELIER-		TOTAL
		INTEGRATED SYSTEM	INTERSYSTEM	CITY OF GR	CITY OF WALKER	CITY OF KENTWOOD	CITY OF EAST GR	TOWNSHIP	TOWNSHIP	TOWNSHIP	ADA TOWNSHIP	GAINES TOWNSHIP	ALGOMA	
CONSTRUCTION COST- BY PHYSICAL LOCATION:														
BY PHYSICAL LOCATION- TASK 11														
IN SERVICE- TASK 10		\$ 140,467,700	\$ 205,371,120	\$ 24,776,301	\$ 24,419,201	\$ 15,858,882	\$ 14,324,159	\$ 4,859,472	\$ 125,288	\$ -	\$ -	\$ -	\$ -	\$ 430,202,123
MARNE CONNECTOR AGREEMENT		187,645	15,281,670	-	-	134,224	439,247	-	-	-	-	-	-	16,042,786
TASK 11/16Z1- CSO COST		-	(211,573)	-	-	-	-	(515,311)	(78,116)	-	-	-	-	(805,000)
O'BRIEN		-	(120,326,659)	546,532	-	-	-	-	-	-	-	-	-	(120,326,659)
VANPORTLIET		-	(44,816)	44,816	-	-	-	-	-	-	-	-	-	-
REMEMBRANCE /3 MILE		-	(71,058)	-	-	-	-	71,058	-	-	-	-	-	-
HAYES- WEST		-	(141,105)	-	-	-	-	141,105	-	-	-	-	-	-
HAYES- EAST		-	(215,841)	-	-	-	-	215,841	-	-	-	-	-	-
THORNAPPLE		-	(89,992)	-	-	89,992	-	-	-	-	-	-	-	-
ROBINHOOD		-	(65,478)	-	-	65,478	-	-	-	-	-	-	-	-
CASCADE SPRINGS		-	(72,602)	-	-	72,602	-	-	-	-	-	-	-	-
SHOREHAVEN		-	(72,602)	-	-	72,602	-	-	-	-	-	-	-	-
KRAFT		-	(96,639)	-	-	96,639	-	-	-	-	-	-	-	-
BIRD AVE-ALPINE ESTATES		-	(323,478)	-	-	323,478	-	-	-	-	-	-	-	-
EAST PARIS		-	(15,819,486)	(2,505,143)	(4,323,453)	(92,355)	(140,457)	(590,665)	-	-	-	-	-	(23,471,559)
LESS: SERVICE MAINS- TOTAL SUBS- PHY. LOC.		-	5,792,204	2,147,927	1,953,132	92,355	152	-	-	-	-	-	-	9,985,770
ADD: SERVICE MAINS- TOTAL ADDS- PHY. LOC.		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL- PHYSICAL LOCATION COST		\$ 140,655,345	\$ 88,347,133	\$ 25,010,433	\$ 22,048,880	\$ 16,221,178	\$ 15,115,820	\$ 4,110,442	\$ 118,230	\$ -	\$ -	\$ -	\$ -	\$ 311,627,461

CONSTRUCTION COST- ZONEGATING:

LIFT STATIONS / CHAMBERS:														
FULLER-BROOKVIEW		\$ 1,252,893	(707,534)	-	-	-	394,674	-	-	312,860	-	-	-	-
FULTON- MIDDLEBORROW		37,983	(37,433)	-	-	-	37,433	-	-	-	-	-	-	-
WEALTHY ST EXT. CHAMBER		458,953	(66,751)	90,230	-	-	5,521	-	-	-	-	-	-	-
WEALTHY MARKET		20,444	(12,460)	11,785	-	-	224	-	224	451	-	-	-	-
VANPORTLIET		9,138,771	(2,927,787)	1,104,877	-	-	209,186	14,256	16,541	1,576,164	-	-	6,783	-
REMEMBRANCE /3 MILE		44,816	6,339	(6,339)	-	-	-	-	-	-	-	-	-	-
16th AVENUE		-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- WEST		71,058	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- EAST		141,105	-	-	-	-	-	-	-	-	-	-	-	-
O'BRIEN		215,841	-	-	-	-	-	(141,105)	141,105	-	-	-	-	-
THORNAPPLE		546,532	21,788	(52,193)	-	-	-	30,425	-	-	-	-	-	-
ROBINHOOD		89,992	-	-	-	-	-	-	-	-	-	-	-	-
CASCADE SPRINGS		65,478	-	-	-	-	-	-	-	-	-	-	-	-
SHOREHAVEN		72,602	-	-	-	-	-	-	-	-	-	-	-	-
KRAFT		72,602	-	-	-	-	-	-	-	-	-	-	-	-
BIRD AVE-ALPINE ESTATES		96,639	-	-	-	-	-	-	-	-	-	-	-	-
EAST PARIS		323,478	-	-	-	-	-	-	-	-	-	-	-	-
SERVICE MAINS- ZONEGATED COST														
TOTAL- ZONEGATED COST		\$ -	\$ 235,805	\$ 3,487,976	\$ 1,656,056	\$ 1,394,599	\$ 837,327	\$ 123,616	\$ 662,468	\$ 262,782	\$ 3,151,713	\$ 922,327	\$ 12,740	\$ 13,465,769
GRAND TOTAL- COST		\$ 140,655,345	\$ 88,830,080	\$ 28,665,769	\$ 23,704,936	\$ 17,615,777	\$ 16,594,440	\$ 4,143,155	\$ 958,568	\$ 262,782	\$ 5,041,188	\$ 922,327	\$ 19,503	\$ 325,113,250

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
RECONCILIATION OF CONSTRUCTION COST & ACCUMULATED DEPRECIATION- PHYSICAL LOCATION & ZONEGATING
FISCAL YEAR ENDED JUNE 30, 2006**

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	MELIER-ALGOONA	
ACCUMULATED DEPRECIATION- BY PHYSICAL LOCATION:															
BY PHYSICAL LOCATION- TASK 11	\$ 78,978,018	\$ 56,861,385	\$ 8,830,214	\$ 8,875,005	\$ 4,659,366	\$ 3,995,358	\$ 360,251	\$ 1,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,560,850
IN SERVICE- TASK 10	-	(38,817)	-	-	-	-	-	-	-	-	-	-	-	-	(13,862)
MARINE CONNECTOR AGREEMENT	-	(22,183,388)	-	-	-	-	-	-	-	-	-	-	-	-	(22,183,388)
TASK 11/16/21- CSO ACC. DEPRECIATION	-	(125,338)	125,338	-	-	-	-	-	-	-	-	-	-	-	-
O'BRIEN	-	(44,816)	44,816	-	-	-	-	-	-	-	-	-	-	-	-
VANPORTFLIET	-	(13,684)	-	-	-	-	-	-	-	-	-	-	-	-	-
REMEMBRANCE / 3 MILE	-	(21,156)	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- WEST	-	(9,893)	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- EAST	-	(23,998)	-	-	-	-	-	-	-	-	-	-	-	-	-
THORNAPPLE	-	(15,278)	-	-	-	-	-	-	-	-	-	-	-	-	-
ROBINHOOD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASCADE SPRINGS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SHOREHAVEN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KRAFT	-	(6,443)	-	-	-	-	-	-	-	-	-	-	-	-	-
BIRD AVE-ALPINE ESTATES	-	(21,565)	-	-	-	-	-	-	-	-	-	-	-	-	-
EAST PARIS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SERVICE MAINS	-	(6,941,474)	(1,160,897)	(2,245,364)	(62,801)	(98,320)	(35,440)	-	-	-	-	-	-	-	(10,544,296)
LESS: SERVICE MAINS- TOTAL SUBS- PHY. LOC.	-	3,346,884	972,902	1,027,387	62,801	106	-	-	-	-	-	-	-	-	5,410,090
ADD: SERVICE MAINS- TOTAL ADDS- PHY. LOC.	-	\$ 30,761,409	\$ 8,812,373	\$ 7,657,028	\$ 4,696,642	\$ 3,925,152	\$ 380,239	\$ 16,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,229,384
\$ 78,978,018															

ACCUMULATED DEPRECIATION- ZONEGATED

LIFT STATIONS / CHAMBERS:	\$ 278,883														
FULLER-BROOKVIEW	35,975	(158,061)	-	-	-	-	-	-	-	69,892	-	-	-	-	-
FULTON- MIDDLEBORROW	45,294	(35,464)	-	-	-	-	-	-	-	-	-	-	-	-	-
WEALTHY ST EXT. CHAMBER	20,444	(9,448)	8,903	-	-	-	545	-	-	-	-	-	-	-	-
MARKET	1,477,180	(12,460)	11,785	-	-	-	224	-	-	451	-	-	-	-	-
VANPORTFLIET	44,816	(473,244)	178,591	-	-	-	2,304	-	-	254,769	-	-	-	-	1,093
REMEMBRANCE / 3 MILE	13,684	6,339	(6,339)	-	-	-	-	-	-	-	-	-	-	-	-
16th AVENUE	21,156	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYES- WEST	9,893	-	-	-	-	-	(21,156)	-	-	-	-	-	-	-	-
HAYES- EAST	125,338	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O'BRIEN	23,998	4,992	(11,970)	-	-	-	6,978	-	-	-	-	-	-	-	-
THORNAPPLE	15,278	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ROBINHOOD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASCADE SPRINGS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SHOREHAVEN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KRAFT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BIRD AVE-ALPINE ESTATES	6,443	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAST PARIS	21,565	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SERVICEMAINS-ZONEGATED ACC. DEPRECIATION		140,931	934,761	891,430	783,009	487,812	60,076	54,018	223,629	782,376	436,275	336,961	2,928	5,134,206	
TOTAL- ZONEGATED ACC. DEPRECIATION	\$ -	\$ (536,405)	\$ 1,115,731	\$ 891,430	\$ 783,009	\$ 645,248	\$ 48,747	\$ 78,072	\$ 223,629	\$ 1,107,488	\$ 436,275	\$ 336,961	\$ 4,021	\$ 5,134,206	
GRAND TOTAL- ACC. DEPRECIATION	\$ 78,978,018	\$ 30,225,004	\$ 9,928,104	\$ 8,548,458	\$ 5,481,651	\$ 4,570,400	\$ 428,986	\$ 94,956	\$ 223,629	\$ 1,107,488	\$ 436,275	\$ 336,961	\$ 4,021	\$ 140,363,580	

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**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	\$ 23,386,728	74.8187%	\$ 227,739
CITY OF WALKER	2,362,127	7.5569%	23,002
CITY OF KENTWOOD	2,363,922	7.5627%	23,020
CASCADE TOWNSHIP	1,447,801	4.6318%	14,099
GRAND RAPIDS TOWNSHIP	1,388,898	4.4434%	13,525
TALLMADGE TOWNSHIP	100,706	0.3222%	981
WRIGHT TOWNSHIP	207,639	0.6643%	2,022
	<u>\$ 31,257,821</u>	<u>100.0000%</u>	<u>\$ 304,388</u>

CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ASSIGN DEPRECIATION EXPENSE TO CUSTOMER COMMUNITIES- TASK NO. 24
FISCAL YEAR ENDED JUNE 30, 2006

COST CENTER	DEPRECIATION EXPENSE	INTEGRATED SYSTEM	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
BY PHYSICAL LOCATION- TASK 11		\$ 3,087,795	\$ 3,884,120	\$ 503,354	\$ 476,675	\$ 323,529	\$ 4,474	\$ 72,754	\$ 1,253	\$ -	\$ -	\$ -	\$ -	\$ 8,619,105
ADD: IN SERVICE- TASK 10		12,510	522,214	-	-	-	11,103	753	(310)	-	-	-	-	550,301
MARINE CONNECTOR AGREEMENT		(12,959)	(2,382,239)	-	-	-	-	-	-	-	-	-	-	(12,516)
LESS: TASK 11/1621- CSO DEP. EXP.														(2,382,239)
LIFT STATIONS / CHAMBERS:														
FULLER-BROOKVIEW	\$ 46,649		(26,344)	-	-	-	-	14,685	-	11,649	-	-	-	-
FULTON- MIDDLEBORROW	183		(180)	-	-	-	180	-	-	-	-	-	-	-
WEALTHY ST EXT. CHAMBER	11,321		(2,362)	2,226	-	-	136	-	-	-	-	-	-	-
WEALTHY	17		(10)	10	-	-	-	-	-	-	-	-	-	-
MARKET	369,813		(118,477)	44,710	-	-	8,465	577	669	63,782	-	-	274	-
VANPORTELLET	-		-	-	-	-	-	-	-	-	-	-	-	-
REMEMBRANCE / 3 MILE	-		-	-	-	-	-	-	-	-	-	-	-	-
O'BRIEN	15,667		624	(1,496)	-	-	-	872	-	-	-	-	-	-
THORNAPPLE	3,000		-	-	-	-	-	-	-	-	-	-	-	-
ROBINHOOD	-		-	-	-	-	-	-	-	-	-	-	-	-
CASCADE SPRINGS	2,183		-	-	-	-	-	-	-	-	-	-	-	-
SHOREHAVEN	2,420		-	-	-	-	-	-	-	-	-	-	-	-
KRAFT	2,420		-	-	-	-	-	-	-	-	-	-	-	-
16TH AVE	4,565		(4,565)	-	-	-	-	-	4,565	-	-	-	-	-
HAYES- WEST	7,052		(7,052)	-	-	-	-	-	7,052	-	-	-	-	-
HAYES- EAST	9,893		(9,893)	-	-	-	-	-	-	-	-	-	-	-
BIRD AVE-ALPINE ESTATES	3,221		(3,221)	-	-	-	-	9,893	-	-	-	-	-	-
EAST PARIS	10,783		(10,783)	-	-	-	-	3,221	-	-	-	-	-	-
SERVICEMAINS			(177,462)	52,718	(16,493)	27,348	336,724	10,783	13,495	60,589	13,818	18,336	245	-
ADJUSTED BY ZONEGATING			1,851,411	601,522	460,182	355,351	(258,852)	12,652	26,724	136,020	13,818	18,336	519	6,774,651
LESS CONTRIBUTIONS AMORTIZED			(1,028,723)	(411,601)	(408,636)	(316,450)	(61,840)	(61,840)	-	-	-	(15,182)	-	(3,543,550)
TASK NO. 21			\$ 622,688	\$ 189,921	\$ 51,546	\$ 38,901	\$ 79,872	\$ 13,791	\$ 26,724	\$ 136,020	\$ 13,818	\$ 3,154	\$ 519	\$ 3,231,101
TOTAL			\$ 2,050,059	\$ 189,921	\$ 51,546	\$ 38,901	\$ 79,872	\$ 13,791	\$ 26,724	\$ 136,020	\$ 13,818	\$ 3,154	\$ 519	\$ 3,231,101

**CITY OF GRAND RAPIDS, MICHIGAN
SEWAGE DISPOSAL SYSTEM FUND
ACCUMULATE REVENUE REQUIREMENTS BY CUSTOMER COMMUNITIES- TASK NO. 25
FISCAL YEAR ENDED JUNE 30, 2006**

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			
OPERATION & MAINTENANCE EXPENSE- TASK NO. 22	\$ 13,442,638	\$ 5,653,387	\$ 1,075,688	\$ 729,809	\$ 539,909	\$ 720,480	\$ 62,560	\$ 69,440	\$ 13,262	\$ 96,227	\$ 33,600	\$ 12,143	\$ 316	\$ 22,448,459		
DEPRECIATION EXPENSE	2,050,039	622,688	189,921	51,546	38,901	79,872	13,791	26,724	4,108	136,020	13,818	3,154	519	3,231,101		
TASK NO. 24	2,724,930	1,915,120	429,262	19,541	65,868	181,358	16,492	86,181	4,309	203,743	16,113	1,744	1,625	5,666,286		
RETURN ON SYSTEM INVESTMENT		(227,739)	(23,002)	(23,020)	(14,099)	(13,525)	(981)	(2,022)						(304,368)		
REVENUE CREDITS- TASK NO. 23		9,080,233												9,080,233		
CSO DEBT SERVICE REQUIREMENTS																
ALLOCATE:																
INTEGRATED CONN. FEE CREDIT	(18,217,607)	(898,871)	(126,017)	(171,027)	(76,629)	(58,077)	(4,755)	(3,210)	(48,449)	-	(40,119)	-	(866)	(1,428,021)		
INTEGRATED SYSTEM (A)		10,402,166	1,458,322	1,979,218	886,798	672,093	55,028	37,146	560,675	1,583,511	464,285	108,340	10,025	-		
LESS: CIRCUIT BREAKER (B)		-	(361,713)	-	-	(30,850)	-	-	-	-	-	-	-	(392,563)		
	\$ -	\$ 26,546,984	\$ 2,642,461	\$ 2,585,067	\$ 1,440,748	\$ 1,551,351	\$ 142,134	\$ 214,259	\$ 533,905	\$ 2,019,501	\$ 487,697	\$ 125,381	\$ 11,619	\$ 38,301,107		

(A) ALLOCATED TO CUSTOMER COMMUNITIES UNDER OLD CONTRACT BASIS OF PLANT FLOW. REMAINING ALLOCATION TO UAB 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	\$ 10,402,166	\$ 1,458,322	\$ 1,979,218	\$ 886,798	\$ 672,093	\$ 55,028	\$ 37,146	\$ 560,675	\$ 1,583,511	\$ 464,285	\$ 108,340	\$ 10,025	\$ 1,691,851
NEW METHOD- PLANT FLOW / LAND	\$ 10,402,166	\$ 1,458,322	\$ 1,979,218	\$ 886,798	\$ 672,093	\$ 55,028	\$ 37,146	\$ 560,675	\$ 1,583,511	\$ 464,285	\$ 108,340	\$ 10,025	\$ 16,525,796
	\$ 20,804,332	\$ 2,916,644	\$ 3,958,436	\$ 1,773,596	\$ 1,344,186	\$ 110,056	\$ 74,292	\$ 1,121,350	\$ 3,167,022	\$ 928,570	\$ 216,680	\$ 20,050	\$ 18,217,607

**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 6/30/06</u>	<u>PRO FORMA *</u>
REVENUES:		
RETAIL/WHOLESALE SEWAGE SERVICE	\$ 34,089,390	\$ 36,964,319
CONNECTION FEES/FRONT FOOT FEES	1,568,694	1,568,694
ENGINEERING FEES	159,760	159,760
SEWAGE SURCHARGES	891,882	891,882
OTHER OPERATING REVENUES	144,628	144,628
INTEREST ON INVESTMENTS	1,059,480	1,059,480
MISCELLANEOUS	<u>130,623</u>	<u>130,623</u>
TOTAL REVENUES	<u>\$ 38,044,457</u>	<u>\$ 40,919,386</u>
 OPERATING EXPENSES:		
OPERATIONS & MAINTENANCE	\$ 21,592,843	\$ 21,993,180
DEPRECIATION	<u>8,619,105</u>	<u>8,619,105</u>
TOTAL EXPENSES	<u>\$ 30,211,948</u>	<u>\$ 30,612,285</u>
 ADDITIONS: DEPRECIATION	 <u>8,619,105</u>	 <u>8,619,105</u>
 NET EARNINGS OF THE SYSTEM	 <u>\$ 16,451,614</u>	 <u>\$ 18,926,206</u>
 DEBT SERVICE (CASH BASIS)		
SERIES 2005 BONDS	\$ 1,377,270	\$ 2,950,044
SERIES 2004 BONDS	1,993,300	1,994,900
SERIES 1998 BONDS	<u>5,895,238</u>	<u>5,901,488</u>
TOTAL SENIOR DEBT SERVICE	9,265,808	10,846,432
SRF DEBT (JUNIOR LIEN)	<u>3,976,793</u>	<u>3,953,984</u>
	<u>\$ 13,242,601</u>	<u>\$ 14,800,416</u>
 COVERAGE RATIO - SENIOR DEBT	 <u>1.78</u>	 <u>1.74</u>
COVERAGE RATIO - ALL DEBT	<u>1.24</u>	<u>1.28</u>

* SEWAGE SERVICES ADJUSTED FOR RATE REVISIONS OF 12.76% AND 4.94% EFFECTIVE 1/1/06 AND 1/1/07, RESPECTIVELY.

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SUMMARY

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

INITIAL SYSTEM REVENUE REQUIREMENTS		\$ 38,693,670
CURRENT REVENUES		
REU CHARGE	\$ 207,571	
MONTHLY METER CHARGE	7,354,428	
MONTHLY BILLING CHARGE	2,499,568	
COMMODITY CHARGE	<u>26,435,439</u>	<u>(36,497,006)</u>
INITIAL REQUIRED REVENUE INCREASE (DECREASE)		<u>\$ 2,196,664</u>
INITIAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>6.02%</u>
INITIAL SYSTEM REVENUE REQUIREMENTS FROM ABOVE		\$ 38,693,670
LESS: AMOUNT OF PENALTY CREDIT APPLIED TO REDUCE RR's TO RETAIL		<u>(392,563)</u>
SYSTEM REVENUE REQUIREMENTS		<u>\$ 38,301,107</u>
ACTUAL REQUIRED AMOUNT OF REVENUE INCREASE (DECREASE)		<u>\$ 1,804,101</u>
ACTUAL PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u>4.94%</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	54,278	4,803	3,202	1,170	2,976	88	-
B 1"	1.7778	2,307	341	460	213	223	12	-
C 1 1/4"	2.7778	-	-	-	-	-	-	-
D 1 1/2"	4.0000	874	130	294	138	64	2	-
E 2"	7.1111	771	88	177	61	32	3	-
F 3"	16.0000	70	8	19	7	6	-	-
G 4"	28.4444	78	6	13	2	3	-	-
H 6" and over	64.0000	18	2	3	-	-	-	-
Other- Wright Twp		N/A	N/A	N/A	N/A	N/A	N/A	228
TOTAL		58,396	5,378	4,168	1,591	3,304	105	228
								352,437

* Source: Grand Rapids Water/Sewage Meter/User Quantity Report, October 24, 2006.

CITY OF GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS \$ 26,546,984

CURRENT REVENUES

MONTHLY METER CHARGE

71,849 meter equivalents x \$ 5.55 x 12 = \$ 4,785,143

MONTHLY BILLING CHARGE

58,396 meters x \$ 2.39 x 12 = 1,674,797

COMMODITY CHARGE

8,234,477 units (100 CF) x \$ 2.27 = 18,692,263 (25,152,203)

REQUIRED REVENUE INCREASE (DECREASE) \$ 1,394,781

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 5.55%

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

COMMODITY CHARGE:

$$\frac{\text{INTEGRATED SYSTEM COST}}{\text{BILLED UNITS}} = \frac{\$19,482,399}{8,234,477} = \underline{\underline{\$ 2.37 /100 CF *}}$$

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 26,546,984
NEW COMMODITY CHARGE		
8,234,477 x \$ 2.37		\$ 19,515,710
NEW MONTHLY BILLING CHARGE		
58,396 x \$ 3.38 x 12	2,368,542	(21,884,252)
		\$ 4,662,732

$$\text{MONTHLY METER CHARGE} = \frac{\$4,662,732}{71,849 \times 12} = \underline{\underline{\$ 5.41 \text{ MONTHLY}}}$$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 5.41	\$ 3.38	\$ 8.79	\$ 7.94
1"	1.7778	9.62	3.38	13.00	12.26
1 1/4"	2.7778	15.03	3.38	18.41	17.81
1 1/2"	4.0000	21.64	3.38	25.02	24.59
2"	7.1111	38.47	3.38	41.85	41.86
3"	16.0000	86.56	3.38	89.94	91.19
4"	28.4444	153.88	3.38	157.26	160.26
6" and over	64.0000	346.24	3.38	349.62	357.59

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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

SYSTEM REVENUE REQUIREMENTS \$ 2,642,461

CURRENT REVENUES

MONTHLY METER CHARGE

6,982 meter equivalents x \$ 12.42 x 12 = \$ 1,040,597

MONTHLY BILLING CHARGE

5,378 meters x \$ 2.39 x 12 = 154,241

COMMODITY CHARGE

990,518 units (100 CF) x \$ 1.31 = 1,297,579 (2,492,417)

REQUIRED REVENUE INCREASE (DECREASE) \$ 150,044

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 6.02%

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.39 /100 CF *
 \$ 1.31 x 106.02%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 2,642,461
NEW COMMODITY CHARGE		
990,518 x \$ 1.39		\$ 1,376,820
NEW MONTHLY BILLING CHARGE		
5,378 x \$ 3.38 x 12	<u>218,132</u>	<u>(1,594,952)</u>
		<u>\$ 1,047,509</u>

MONTHLY METER CHARGE = $\frac{\$1,047,509}{6,982 \times 12} = \underline{\underline{\$ 12.50 \text{ MONTHLY}}}$

<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	\$ 12.50	\$ 3.38	\$ 15.88	\$ 14.81
1"	1.7778	22.22	3.38	25.60	24.47
1 1/4"	2.7778	34.72	3.38	38.10	36.89
1 1/2"	4.0000	50.00	3.38	53.38	52.07
2"	7.1111	88.89	3.38	92.27	90.71
3"	16.0000	200.00	3.38	203.38	201.11
4"	28.4444	355.56	3.38	358.94	355.67
6" and over	64.0000	800.00	3.38	803.38	797.27

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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

SYSTEM REVENUE REQUIREMENTS \$ 2,585,067

CURRENT REVENUES

MONTHLY METER CHARGE

7,321 meter equivalents x \$ 2.08 x 12 = \$ 182,732

MONTHLY BILLING CHARGE

4,168 meters x \$ 2.39 x 12 = 119,538

COMMODITY CHARGE

1,499,608 units (100 CF) x \$ 1.52 = 2,279,404 (2,581,674)

REQUIRED REVENUE INCREASE (DECREASE) \$ 3,393

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 0.13%

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.52 /100 CF *
 \$ 1.52 x 100.13%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 2,585,067
NEW COMMODITY CHARGE		
1,499,608 x \$ 1.52		\$ 2,279,404
NEW MONTHLY BILLING CHARGE		
4,168 x \$ 3.38 x 12	<u>169,054</u>	<u>(2,448,458)</u>
		<u>\$ 136,609</u>

MONTHLY METER CHARGE = $\frac{\$136,609}{7,321 \times 12}$ = \$ 1.55 MONTHLY

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 1.55	\$ 3.38	\$ 4.93	\$ 4.47
1"	1.7778	2.76	3.38	6.14	6.09
1 1/4"	2.7778	4.31	3.38	7.69	8.17
1 1/2"	4.0000	6.20	3.38	9.58	10.71
2"	7.1111	11.02	3.38	14.40	17.18
3"	16.0000	24.80	3.38	28.18	35.67
4"	28.4444	44.09	3.38	47.47	61.55
6" and over	64.0000	99.20	3.38	102.58	135.51

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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

SYSTEM REVENUE REQUIREMENTS	\$ 1,440,748
LESS: CASH CONTRIBUTION	-
SYSTEM REVENUE REQUIREMENTS	\$ 1,440,748

CURRENT REVENUES

MONTHLY METER CHARGE			
2,704 meter equivalents	x	\$ 17.97	x 12 = \$ 583,091
MONTHLY BILLING CHARGE			
1,591 meters	x	\$ 2.39	x 12 = 45,630
COMMODITY CHARGE			
468,637 units (100 CF)	x	\$ 1.67	= <u>782,624</u> <u>(1,411,345)</u>
REQUIRED REVENUE INCREASE (DECREASE)			\$ 29,403
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			2.08%

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.70 /100 CF *
 \$ 1.67 x 102.08%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS \$ 1,440,748

NEW COMMODITY CHARGE
 468,637 x \$ 1.70 \$ 796,683

NEW MONTHLY BILLING CHARGE
 1,591 x \$ 3.38 x 12 64,531 (861,214)
\$ 579,534

MONTHLY METER CHARGE = $\frac{\$579,534}{2,704 \times 12} = \underline{\underline{\$ 17.86 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 17.86	\$ 3.38	\$ 21.24	\$ 20.36
1"	1.7778	31.75	3.38	35.13	34.34
1 1/4"	2.7778	49.61	3.38	52.99	52.31
1 1/2"	4.0000	71.44	3.38	74.82	74.27
2"	7.1111	127.00	3.38	130.38	130.18
3"	16.0000	285.76	3.38	289.14	289.91
4"	28.4444	508.02	3.38	511.40	513.54
6" and over	64.0000	1,143.04	3.38	1,146.42	1,152.47

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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

SYSTEM REVENUE REQUIREMENTS \$ 1,551,351

CURRENT REVENUES

MONTHLY METER CHARGE			
4,037 meter equivalents	x	\$ 15.13	x 12 = \$ 732,958
MONTHLY BILLING CHARGE			
3,304 meters	x	\$ 2.39	x 12 = 94,759
COMMODITY CHARGE			
426,541 units (100 CF)	x	\$ 1.49	= <u>635,546</u> <u>(1,463,263)</u>
REQUIRED REVENUE INCREASE (DECREASE)			<u>\$ 88,088</u>

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES 6.02%

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.58 /100 CF *
 \$ 1.49 x 106.02%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 1,551,351
NEW COMMODITY CHARGE		
426,541 x \$ 1.58	\$	673,935
NEW MONTHLY BILLING CHARGE		
3,304 x \$ 3.38 x 12	<u>134,010</u>	<u>(807,945)</u>
		<u>\$ 743,406</u>

MONTHLY METER CHARGE = $\frac{\$743,406}{4,037 \times 12} = \underline{\underline{\$ 15.35 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 15.35	\$ 3.38	\$ 18.73	\$ 17.52
1"	1.7778	27.29	3.38	30.67	29.29
1 1/4"	2.7778	42.64	3.38	46.02	44.42
1 1/2"	4.0000	61.40	3.38	64.78	62.91
2"	7.1111	109.16	3.38	112.54	109.98
3"	16.0000	245.60	3.38	248.98	244.47
4"	28.4444	436.62	3.38	440.00	432.75
6" and over	64.0000	982.40	3.38	985.78	970.71

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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

SYSTEM REVENUE REQUIREMENTS	\$	142,134
LESS: CASH CONTRIBUTION		-
SYSTEM REVENUE REQUIREMENTS	\$	<u>142,134</u>

CURRENT REVENUES

MONTHLY METER CHARGE		
138 meter equivalents	x \$ 18.06	x 12 = \$ 29,907
MONTHLY BILLING CHARGE		
105 meters	x \$ 2.39	x 12 = 3,011
COMMODITY CHARGE		
17,923 units (100 CF)	x \$ 6.29	= <u>112,736</u> <u>(145,654)</u>
REQUIRED REVENUE INCREASE (DECREASE)		<u>\$ (3,520)</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u><u>-2.42%</u></u>

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 6.14 /100 CF *
 \$ 6.29 x 97.58%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 142,134
NEW COMMODITY CHARGE		
17,923 x \$ 6.14		\$ 110,047
NEW MONTHLY BILLING CHARGE		
105 x \$ 3.38 x 12	4,259	(114,306)
		\$ 27,828

MONTHLY METER CHARGE = $\frac{\$27,828}{138 \times 12}$ = \$ 16.80 MONTHLY

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 16.80	\$ 3.38	\$ 20.18	\$ 20.45
1"	1.7778	29.87	3.38	33.25	34.50
1 1/4"	2.7778	46.67	3.38	50.05	52.56
1 1/2"	4.0000	67.20	3.38	70.58	74.63
2"	7.1111	119.47	3.38	122.85	130.82
3"	16.0000	268.80	3.38	272.18	291.35
4"	28.4444	477.87	3.38	481.25	516.10
6" and over	64.0000	1,075.20	3.38	1,078.58	1,158.23

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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

SYSTEM REVENUE REQUIREMENTS	\$	214,259
LESS: CASH CONTRIBUTION		(8,000)
SYSTEM REVENUE REQUIREMENTS	\$	<u>206,259</u>

CURRENT REVENUES

REU CHARGE

352.437 meter equivalents x \$ 49.08 x 12 = \$ 207,571

MONTHLY METER CHARGE

352.437 meter equivalents x \$ - x 12 = -

MONTHLY BILLING CHARGE

228 meters x \$ - x 12 = -

COMMODITY CHARGE

20,767 units (100 CF) x \$ - = - (207,571)

REQUIRED REVENUE INCREASE (DECREASE) \$ (1,312)

PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES -0.63%

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

MONTHLY REU CHARGE:

$$\frac{\text{TOTAL REVENUE REQUIREMENTS}}{\text{TOTAL REU'S * 12 MONTHS}} = \frac{\$206,259}{352.437 \times 12} = \$ \underline{\underline{48.77}} \quad \text{MONTHLY REU CHARGE *}$$

TOTAL REVENUE REQUIREMENTS ARE NET OF CONTRIBUTION OF \$ 8,000

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	\$ 48.77	7.5000	\$ 365.78	19.0000	\$ 926.63
1.5000	73.16	8.0000	390.16	20.0000	975.40
2.0000	97.54	8.5000	414.55	25.0000	1,219.25
2.5000	121.93	9.0000	438.93	30.0000	1,463.10
3.0000	146.31	9.5000	463.32	35.0000	1,706.95
3.5000	170.70	10.0000	487.70	40.0000	1,950.80
4.0000	195.08	11.0000	536.47	50.0000	2,438.50
4.4000	214.59	12.0000	585.24	60.0000	2,926.20
4.5000	219.47	13.0000	634.01	70.0000	3,413.90
5.0000	243.85	14.0000	682.78	80.0000	3,901.60
5.5000	268.24	15.0000	731.55	90.0000	4,389.30
6.0000	292.62	16.0000	780.32	100.0000	4,877.00
6.5000	317.01	17.0000	829.09	150.0000	7,315.50
7.0000	341.39	18.0000	877.86	200.0000	9,754.00

* NEW RATES EFFECTIVE ON JANUARY 1, 2007

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$	512,226
COMMODITY CHARGE			
462.344 units	x	\$	1,112.00
			514,127
			<hr/>
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)		\$	<u>(1,901)</u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$	21,679
MONTHLY SERVICE CHARGE			
\$1,981	x		12 MONTHS
			23,772
			<hr/>
REQUIRED SERVICE REVENUE INCREASE (DECREASE)		\$	<u>(2,093)</u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES			<u>-0.74%</u>

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS	\$ 533,905
NEW COMMODITY CHARGE	
462.344 x \$ 1,108.00 =	(512,277)
	<hr/>
	<u>\$ 21,628</u>

MONTHLY SERVICE CHARGE = \$ 21,628 / 12 = \$1,802

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$ 1,583,511
COMMODITY CHARGE		
1,511.948 units x \$ 1,047.00		1,583,010

REQUIRED COMMODITY REVENUE INCREASE (DECREASE)		<u><u>\$ 501</u></u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$ 435,990
MONTHLY SERVICE CHARGE		
\$24,554 x 12 MONTHS		294,648

REQUIRED SERVICE REVENUE INCREASE (DECREASE)		<u><u>\$ 141,342</u></u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u><u>7.55%</u></u>

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

SYSTEM REVENUE REQUIREMENTS	\$ 2,019,501
NEW COMMODITY CHARGE	
1,511.948 x \$ 1,047.00 =	(1,583,010)
	<hr/>
	<u>\$ 436,491</u>

MONTHLY SERVICE CHARGE = \$436,491 / 12 = \$36,374

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	424,166
COMMODITY CHARGE		
327.601 units x \$ 1,280.00		419,329
		419,329
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	\$	4,837
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	63,531
MONTHLY SERVICE CHARGE		
\$5,841 x 12 MONTHS		70,092
		70,092
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	\$	(6,561)
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		-0.35%

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

SYSTEM REVENUE REQUIREMENTS	\$ 487,697
NEW COMMODITY CHARGE	
327.601 x \$ 1,295.00 =	(424,243)
	<hr/>
	<u>\$ 63,454</u>

MONTHLY SERVICE CHARGE = \$ 63,454 / 12 = \$5,288

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	108,340
COMMODITY CHARGE		
103.447 units x \$ 1,047.00		108,309
		108,309
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)	\$	31
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS	\$	17,041
MONTHLY SERVICE CHARGE		
\$1,512 x 12 MONTHS		18,144
		18,144
REQUIRED SERVICE REVENUE INCREASE (DECREASE)	\$	(1,103)
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		-0.85%

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

SYSTEM REVENUE REQUIREMENTS	\$ 125,381
NEW COMMODITY CHARGE	
103.447 x \$ 1,047.00 =	(108,309)
	<hr/>
	<u>\$ 17,072</u>

MONTHLY SERVICE CHARGE = \$ 17,072 / 12 = \$1,423

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

INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$ 9,159
COMMODITY CHARGE		
6.493 units x \$ 1,619.00		10,512
		10,512
REQUIRED COMMODITY REVENUE INCREASE (DECREASE)		<u><u>\$ (1,353)</u></u>
NON-INTEGRATED SYSTEM REVENUE REQUIREMENTS		\$ 2,460
MONTHLY SERVICE CHARGE		
\$78 x 12 MONTHS		936
		936
REQUIRED SERVICE REVENUE INCREASE (DECREASE)		<u><u>\$ 1,524</u></u>
PERCENTAGE INCREASE (DECREASE) OVER EXISTING RATES		<u><u>1.49%</u></u>

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

SYSTEM REVENUE REQUIREMENTS	\$ 11,619
COMMODITY CHARGE	
6.493 x \$ 1,411.00 =	(9,162)
	<u>\$ 2,457</u>
 MONTHLY SERVICE CHARGE = \$ 2,457 / 12 = \$205	



CALCULATION OF INCREMENTAL COMMODITY CHARGE TO MEIJER-ALGOMA FROM CITY

COMMODITY CHARGE- ABOVE	\$ 1,411
LESS: COMMODITY CHARGE- NORTH KENT	(1,047)
INCREMENTAL COMMODITY CHARGE (CREDIT)	<u>\$ 364</u>

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 9, 2006

TO: Mike Wolski
Financial Analyst

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

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

Enclosed are the Front Foot Rates for Sanitary Sewer (Task 28) and the costs for Sanitary Sewer Laterals (Task 29), for the Fiscal Year 2006.

RDV/grt

Enclosures

cc: Jack Stegehuis
Mark Garvey
Paul Pratt

RECEIVED

OCT 10 2006

**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>2006</u>	<u>2007</u>
Domestic Sewer User	\$ 56.00	\$ 52.00
Commercial-Industrial User (Sewer over 8 in. diameter)	\$ 92.00	\$ 105.00

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, 2005 through June, 2006. 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>2006</u>	<u>2007</u>
50 ft.	\$ 1,500	\$ 1,560
60 ft.	\$ 1,770	\$ 1,840
66 ft.	\$ 1,940	\$ 2,010
80 ft.	\$ 2,300	\$ 2,410
100 ft.	\$ 2,820	\$ 3,000

MEMORANDUM

CITY OF GRAND RAPIDS

Date: October 25th 2006

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

From: Randall Fisher, Assistant 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.

The surcharge rates as noted on the following page (Task #30-Part 1) were recently developed as part of a surcharge rate analysis project. As shown on the attached sheets, the methodology includes evaluating various cost centers at the Wastewater Treatment plant and allocating costs based on unit processes. Consequently, accumulated costs can then be assigned to the four conventional pollutant categories identified above to determine appropriate surcharge rates.

Recommended rates for 2007 are up slightly for BOD, TSS, and NH₃ while the surcharge rate for Phos has dropped significantly due to recent process improvements at the Wastewater Treatment plant which have resulted in a reduction of chemicals used to remove the Phosphorus.

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

Description	Rate Study Year		Wastewater Surcharges					
	2006	Volume	BOD	TSS	Phos	NH3	Industrial	Other
Operation & Maintenance (See Part 2)	\$ 22,448,459	\$ 3,703,225	\$ 3,726,590	\$ 3,378,463	\$ 483,639	\$ 390,182	\$ 638,436	\$ 10,127,924
Depreciation (See Part 3)	3,231,101	649,863	653,962	592,871	84,872	68,471	-	1,181,062
Return on System Investment (See Part 3)	5,666,286	863,802	869,253	788,050	112,812	91,013	-	2,941,356
Total	\$ 31,345,846	\$ 5,216,890	\$ 5,249,805	\$ 4,759,384	\$ 681,323	\$ 549,666	\$ 638,436	\$ 14,250,342

Recommended Surcharge Rate - 2007 **\$ 0.210** **\$ 0.214** **\$ 0.917** **\$ 0.233**

Actual Surcharge Rate - 2006	\$ 0.203	\$ 0.211	\$ 1.479	\$ 0.220
Change in Surcharge Rate - Amount- 2006 to 2007	\$ 0.007	\$ 0.003	\$ (0.562)	\$ 0.013
Change in Surcharge Rate - Percent- 2006 to 2007	3.45%	1.42%	-38.00%	5.91%

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		Allocation Basis	Line No. Ref.	Volume	Wastewater Surcharges					Industrial	Other
	Base Year- 2006	Calendar Year- 2007				BOD	TSS	Phos	NH3			
Wastewater Treatment Plant												
Pre-Treatment	924,494	934,568	WWTP	(1)	934,568	-	-	-	-	-	-	-
Primary Treatment	1,040,056	1,051,389	WWTP	(2)	-	315,417	630,833	-	105,139	-	-	-
Secondary Treatment	4,160,222	4,205,555	WWTP	(3)	1,051,388	2,102,778	841,111	-	210,278	-	-	-
Disinfection/Dechlorination	924,494	934,568	WWTP	(4)	934,568	-	-	-	-	-	-	-
Phosphorus Removal	808,932	817,747	WWTP	(5)	408,873	-	-	408,874	-	-	-	-
Residue Handling/Disposal	3,697,975	3,738,272	WWTP	(6)	373,828	1,308,395	1,906,519	74,765	74,765	-	-	-
	<u>\$ 11,556,173</u>	<u>\$ 11,682,099</u>			<u>\$ 3,703,225</u>	<u>\$ 3,726,590</u>	<u>\$ 3,378,463</u>	<u>\$ 483,639</u>	<u>\$ 390,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lift Stations												
Interceptor		260,074	Collection	(11)	-	-	-	-	-	-	-	260,074
Trunk		165,879	Collection	(11)	-	-	-	-	-	-	-	165,879
Local Collector		415,597	Collection	(11)	-	-	-	-	-	-	-	415,597
Sewer Lines												
Interceptor		204,392	Collection	(11)	-	-	-	-	-	-	-	204,392
Trunk		492,815	Collection	(11)	-	-	-	-	-	-	-	492,815
Local Collector		3,643,244	Collection	(11)	-	-	-	-	-	-	-	3,643,244
Bulk Meter Stations		17,072	Collection	(7)	-	-	-	-	-	-	-	17,072
Customer Accounting		2,967,659	Admin	(8)	-	-	-	-	-	-	-	2,967,659
Industrial Pretreatment		638,436	Industry	(9)	-	-	-	-	-	638,436	-	-
Subtotal	<u>\$ 20,487,267</u>	<u>\$ 20,487,267</u>			<u>\$ 3,703,225</u>	<u>\$ 3,726,590</u>	<u>\$ 3,378,463</u>	<u>\$ 483,639</u>	<u>\$ 390,182</u>	<u>\$ 638,436</u>	<u>\$ 8,166,732</u>	<u>\$ -</u>
Admin		1,961,192	Admin	(10)	-	-	-	-	-	-	-	1,961,192
Total	<u>\$ 22,448,459</u>	<u>\$ 22,448,459</u>			<u>\$ 3,703,225</u>	<u>\$ 3,726,590</u>	<u>\$ 3,378,463</u>	<u>\$ 483,639</u>	<u>\$ 390,182</u>	<u>\$ 638,436</u>	<u>#####</u>	<u>#####</u>
WWTP Allocation Factors		100.000%			31.700%	31.900%	28.920%	4.140%	3.340%	0.000%	0.000%	0.000%

(1) Based on October 13, 2006 update from Michael Lunn regarding 2006 WWTP Surcharge Rate Evaluation.

(2) Primary Allocation of Current Year for Calendar 2007, based on 2006 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)	\$ 2,050,039	\$ 649,863	\$ 653,962	\$ 592,871	\$ 84,872	\$ 68,471	\$ -	\$ -
Other	1,181,062	-	-	-	-	-	1,181,062	-
Total	\$ 3,231,101	\$ 649,863	\$ 653,962	\$ 592,871	\$ 84,872	\$ 68,471	\$ -	\$ 1,181,062

Return on System Investment- Task 21

Description	Amount	Volume	Wastewater Surcharges				Industrial	Other
			BOD	TSS	Phos	NH3		
Integrated System (1)	\$ 2,724,930	\$ 863,802	\$ 869,253	\$ 788,050	\$ 112,812	\$ 91,013	\$ -	\$ -
Other	2,941,356	-	-	-	-	-	2,941,356	-
Total	\$ 5,666,286	\$ 863,802	\$ 869,253	\$ 788,050	\$ 112,812	\$ 91,013	\$ -	\$ 2,941,356

(1) Allocated on WWTP Allocation Factors *

31.7000% 31.9000% 28.9200% 4.1400% 3.3400%

* 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	2002 %	Allocation Basis	Volume %	Wastewater Surcharges						Industrial %	Other %
					BOD %	TSS %	Phos %	NH3 %	Industrial %	Other %		
(1)	Pre-Treatment	100.000%	WWTP	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(2)	Primary Treatment	100.000%	WWTP	0.000%	30.000%	60.000%	0.000%	10.000%	0.000%	0.000%	0.000%	0.000%
(3)	Secondary Treatment	100.000%	WWTP	25.000%	50.000%	20.000%	0.000%	5.000%	0.000%	0.000%	0.000%	0.000%
(4)	Disinfection/Dechlorination	100.000%	WWTP	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(5)	Phosphorus Removal	100.000%	WWTP	50.000%	0.000%	0.000%	50.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(6)	Residue Handling/Disposal	100.000%	WWTP	10.000%	35.000%	51.000%	2.000%	2.000%	0.000%	0.000%	0.000%	0.000%
(7)	Bulk Metering Stations	100.000%	Collection	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%	0.000%
(8)	Customer Accounting	100.000%	Admin	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%	0.000%
(9)	Industrial Pretreatment	100.000%	Industry	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%
(10)	Admin	100.000%	Admin	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%	0.000%
(11)	Collection System	100.000%	Collection	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%	0.000%

(a) With the exception of phosphorus removal, 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 2006 RS Review concluded percentages for phosphorus removal be allocated 50/50 to the categories above to recommend 2007 rate adjustments.

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

The City of Grand Rapids 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
 Industrial Pretreatment Program
Service Costs
October 2006

Category	Cost	
Labor (\$/hr):	\$53.72	
Vehicle (\$/hr):	\$3.00	
Sampler (\$/day):	\$35.00	
Lab analysis:	Parameter	
	Cost	
	metal (each)	\$9.90
	Total suspended solid	\$6.00
	BOD	\$12.00
	Total phosphate (as P)	\$11.00
	pH	\$5.00
	EPA 624 (volatiles)	\$100.00
	EPA 625 (semi-volatiles)	\$229.00
	BTEX/MTBE	\$36.00
	Sulfide	\$15.00
	Oil & grease	\$25.00
	Total cyanide	\$19.00
	Chromium-hexavalent	\$16.00
	Fecal coliform	\$35.00

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.
- Lab 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.

City of Grand Rapids
Cost of Services Provided by IPP

Last Update: Oct-06

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	\$35.00	ea.

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: metals 6 x \$ 9.90 = \$ 59.00
(each composite) 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 \$ 35.00 = \$ -
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: metals x \$ 9.90 = \$ -
(each grab) TSS x \$ 6.00 = \$ -
BOD x \$ 12.00 = \$ -
total phosphate x \$ 11.00 = \$ -
pH 1 x \$ 5.00 = \$ 5.00
EPA 624 x \$ 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 \$ 35.00 = \$ -
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 \$ 35.00 = \$ -
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 \$ 35.00 = \$ -
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 \$ 35.00 = \$ -
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 \$ 35.00 = \$ -
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 \$ 35.00 = \$ -
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 \$ 35.00 = \$ -
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

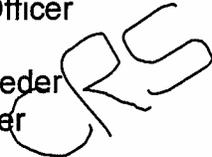
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MEMORANDUM

CITY OF GRAND RAPIDS

DATE: October 13, 2006

TO: Michael Wolski
Utility Financial Officer

FROM: Charles R. Schroeder
Hydraulic Engineer 

SUBJECT: SANITARY SEWER OVERSIZING RATES- SEWER TASK 32

Sanitary Sewer Oversizing rates are established for this year as noted below:

8" to 10"..... \$ 3.97 per lineal foot
8" to 12".....\$ 10.27 per lineal foot
8" to 15".....\$ 19.18 per lineal foot
10" to 12".....\$ 6.30 per lineal foot
10" to 15".....\$ 15.21 per lineal foot
12" to 15".....\$ 8.91 per lineal foot

These rates have been determined in accordance with the Sewage Disposal System Rules and Regulations and are approved for use from January 1, 2007 through December 31, 2007. Background information and calculations to establish these rates are on file in the Utility Engineering, Distribution, Collection Department/Office located at 1900 Oak Industrial Dr., NE. If you have any questions regarding this matter, please call me at extension 3690 (456-3690)

CS

Cc: Corky Overmyer
Rick DeVries, PE
Bill DeYoung, PE

srs\stask32 2006

**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 October 6, 2006, with exception noted:

UAB Partners	Sq. Miles of USD by CC	Percent
Grand Rapids	45.36	35.113%
Walker	20.17	15.614%
Kentwood *	14.29	11.062%
Cascade	23.53	18.215%
Grand Rapids Township	11.82	9.150%
Tallmadge Township	2.40	1.858%
Wright Township	0.89	0.689%
East Grand Rapids	3.37	2.609%
Ada	7.15	5.535%
Meijer - Algoma	0.20	0.155%
Total	129.18	100.000%

* Includes revised area approved at November 17, 2005, UAB meeting.

**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	\$ 57,631	12.50%
City & Customer Community Circuit Breaker	403,420	87.50%
Total	<u>\$ 461,051</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	\$ 403,420	100.00%
Less: Amount Applied in Current Rate Study	<u>(392,563)</u>	<u>-97.31%</u>
Total Revenue Credit- Next Year's Rate Study	<u>\$ 10,857</u>	<u>2.69%</u>

INTRODUCTION OF RATE ORDINANCES

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 6, 2006

TO: Eric DeLong
Deputy City Manager

FROM: Michael Wolski 
Utility Financial Officer

SUBJECT: 2006 WATER/SEWER RATE REVIEW- PRELIMINARY REPORT

The preliminary report, recommending water and sewer rates as of January 1, 2007 for Grand Rapids and all customer communities, is submitted for consideration. The report continues to be two-tiered in nature, calculating recommended rates for customer communities based upon: (a) adherence to the rate-making methodology established in 1976-1977 for customer communities not party to the uniform water and sewer service agreements; (b) rate methodology changes, based upon the uniform service agreements with our UAB partners. In addition, as requested by all UAB partners at last month's meeting, the report has been amended to include the circuit breaker provisions proposed in the third amendment to the uniform service agreements. 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. This established \$116,424 to support the ICB, a 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 retail service area revenue requirement changes to a level in line with the overall systems' initial proposed changes, i.e., the City and Customer Community Circuit Breaker. Sufficient funds were available to achieve that goal and relief was provided to Grand Rapids, Walker and Grand Rapids Township.

Proposed 2007 water rates reflect increases for Lake Michigan Filtration Plant improvements, personal service costs, mainframe computer services, utilities, decreased integrated connection fees and elimination of the penalty fee credit for implementing circuit breaker provisions, which are virtually offset by increased billed volume. Proposed 2007 sewer rates reflect increases for Market Avenue Pumping Station (MAPS) improvements, Indian Mill Creek (IMC) sewer project work, personal service costs, decreased integrated connection fees and elimination of the penalty fee credit for implementing circuit breaker provisions, which are partially offset by decreases in contractual payments and allocation of support services.

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

1. Water Supply System revenue requirements will increase \$248,278 or 0.63% more than revenues generated by existing rates and charges.

2. Sewage Disposal System revenue requirements will increase \$1,846,582 or 5.06% more than revenues generated by existing rates and charges.

Attached is a schedule of comparative 2006/2007 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 2006/2007 monthly charges for Wright Township's REU (Residential Equivalent Unit) rate structure. Comparative rate adjustments are also noted for our wholesale customer communities.

Announcement of proposed 2007 water and sewer rates to our UAB partners and other customer communities is scheduled for Thursday, November 9, 2006. All customer communities have a thirty-day comment period following notification of the rates as provided in our water/sewer service agreements. Concurrence of customer community rates by the City Commission is scheduled for Tuesday, December 19, 2006.

Resolutions are being prepared providing for publication of proposed ordinances amending the Water and Sewer Rates and Charges and establish December 5, 2006 as the date for public hearing and December 19, 2006 to consider adoption of the proposed ordinances.

MW

Attachment

**CITY OF GRAND RAPIDS, MICHIGAN
2006 PRELIMINARY WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON DOMESTIC USERS
BY CUSTOMER COMMUNITY *
November 6, 2006**

	APPROXIMATE QUARTERLY BILL		CHANGE	
	CURRENT	PROPOSED	DOLLARS	PERCENT
GRAND RAPIDS				
WATER	\$ 71.40	\$ 72.64	\$ 1.24	1.74%
SEWER	66.95	70.95	4.00	5.97%
	<u>\$ 138.35</u>	<u>\$ 143.59</u>	<u>\$ 5.24</u>	3.79%
BASE RATIO	1.00	1.00		
WALKER				
WATER	\$ 73.80	\$ 74.92	\$ 1.12	1.52%
SEWER	69.32	74.05	4.73	6.82%
	<u>\$ 143.12</u>	<u>\$ 148.97</u>	<u>\$ 5.85</u>	4.09%
RATIO TO GR	1.03	1.04		
KENTWOOD				
WATER	\$ 86.87	\$ 86.81	\$ (0.06)	-0.07%
SEWER	42.29	42.99	0.70	1.66%
	<u>\$ 129.16</u>	<u>\$ 129.80</u>	<u>\$ 0.64</u>	0.50%
RATIO TO GR	0.93	0.90		
CASCADE TWP- Sewer contribution of \$183,700 for "CURRENT"				
WATER	\$ 121.58	\$ 119.34	\$ (2.24)	-1.84%
SEWER	92.81	94.86	2.05	2.21%
	<u>\$ 214.39</u>	<u>\$ 214.20</u>	<u>\$ (0.19)</u>	-0.09%
RATIO TO GR	1.55	1.49		
GRAND RAPIDS TWP				
WATER	\$ 93.08	\$ 94.50	\$ 1.42	1.53%
SEWER	80.87	86.21	5.34	6.60%
	<u>\$ 173.95</u>	<u>\$ 180.71</u>	<u>\$ 6.76</u>	3.89%
RATIO TO GR	1.26	1.26		
TALLMADGE TWP				
WATER	\$ 142.95	\$ 133.32	\$ (9.63)	-6.74%
SEWER	180.86	175.89	(4.97)	-2.75%
	<u>\$ 323.81</u>	<u>\$ 309.21</u>	<u>\$ (14.60)</u>	-4.51%
RATIO TO GR	2.34	2.15		

* THE COMPARISONS ABOVE ARE BASED ON SYSTEM AVERAGE DOMESTIC CUSTOMER
 QUARTERLY CONSUMPTION OF: WATER- 29.00 UNITS OR 21,692 GALLONS
 SEWER - 19.00 UNITS OR 14,212 GALLONS
 NO. OF MONTHS: 3

Note: The average water consumption depicted above reflects an increase of three (3) units from last year's rate study. (The average quarterly consumption for water & sewer last year was 26 and 19 units, respectively).

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

WRIGHT TWP- Contribution of \$5,570 for "CURRENT"				
SEWER (No. of REU 1.00)	<u>\$ 49.08</u>	<u>\$ 50.49</u>	<u>\$ 1.41</u>	2.87%

**CITY OF GRAND RAPIDS, MICHIGAN
2006 PRELIMINARY WATER/SEWER RATE STUDY
IMPACT OF RATE ADJUSTMENTS ON WHOLESALE USERS
November 6, 2006**

	<u>CURRENT</u>	<u>PROPOSED</u>	<u>PERCENTAGE CHANGE</u>
EAST GRAND RAPIDS			
WATER - SERVICE (MONTHLY)	\$ 14,497.00	\$ 12,812.00	-11.62%
- COMMODITY (100 CF)	1.01	1.01	0.00%
SEWER - SERVICE (MONTHLY)	1,981.00	1,795.00	-9.39%
- COMMODITY (MG)	1,112.00	1,084.00	-2.52%
ADA TWP			
WATER - SERVICE	\$ 31,992.00	\$ 29,978.00	-6.30%
- COMMODITY	1.09	1.09	0.00%
SEWER - SERVICE	5,841.00	5,281.00	-9.59%
- COMMODITY	1,280.00	1,267.00	-1.02%
OTTAWA COUNTY			
WATER - SERVICE	\$ -	\$ -	N/A
- COMMODITY	1.13	1.11	-1.77%
NORTH KENT AREA			
SEWER - SERVICE	\$ 24,554.00	\$ 36,373.00	48.13%
- COMMODITY	1,047.00	1,251.00	19.48%
GAINES TWP			
SEWER - SERVICE	\$ 1,512.00	\$ 1,424.00	-5.82%
- COMMODITY	1,047.00	1,251.00	19.48%
MEIJER - ALGOMA			
SEWER - SERVICE	\$ 78.00	\$ 205.00	162.82%
- COMMODITY	1,619.00	1,380.00	-14.76%

*75644 Com. Bliss, 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 5, 2006, 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 19, 2006.

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. 2006-

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: \$49.00;
 - (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: \$68.00.

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

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

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

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

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

"2.35 Integrated Water Connection Fee Schedule.

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

Integrated Water Connection Base Fee Schedule

<u>Water Meter (or equivalent) Size (inches)</u>	<u>Base Fee</u>
3/4 or less	\$ 2,450
1	4,100
1 ½	8,150
2	13,050
3	28,600
4	51,450
6 and over	114,350

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.

	<u>Commodity Rate</u>
Domestic	\$1.46 per 100 cubic feet
Commercial	\$1.46 per 100 cubic feet
Industrial	\$1.46 per 100 cubic feet

	<u>Monthly Service Charge</u>	
<u>Size of Meter</u>	<u>Charge</u>	
3/4 inch or less	\$ 10.10	
1 inch	15.04	
1 1/4 inch	21.39	
1 1/2 inch	29.15	
2 inches	48.91	
3 inches	105.35	

4 inches
6 inches or larger

184.37
410.15"

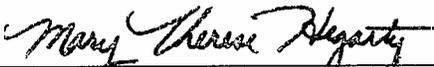
Section 4. That Section 2.45 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"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, 2007."

* 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 14, 2006.



Mary Therese Hegarty, City Clerk

*75645 Com. Bliss, 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 5, 2006, 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 19, 2006.

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. 2006-

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: \$52.00;
 - (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: \$105.00.

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

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

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

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

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

"2.96 Integrated Sewer Connection Fee Schedule.

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

Integrated Sewer Connection Base Fee Schedule

Water Meter (or equivalent) Size (inches)	Base Fee
3/4 or less	\$ 2,450
1	4,100
1 ½	8,150
2	13,050
3	28,600
4	51,450
6 and over	114,350

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	\$2.34 per 100 cubic feet
Commercial	\$2.34 per 100 cubic feet
Industrial	\$2.34 per 100 cubic feet
	<u>Monthly Service Charge</u>
<u>Size of Meter</u>	<u>Charge</u>
3/4 inch or less	\$ 8.83
1 inch	13.07
1 1/4 inches	18.52
1 1/2 inches	25.18
2 inches	42.14
3 inches	90.58
4 inches	158.40
6 inches or larger	352.18"

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 cents (\$0.210) per pound of BOD and twenty-one and four-tenth cents (\$0.214) per pound of TSS and ninety-one and seven-tenth cents (\$0.917) 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-three and three-tenth cents (\$0.233) 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	ach
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	35.00	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.”

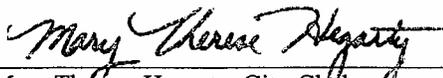
Section 5. That Section 2.105 of Chapter 27 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"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, 2007.”

* 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 14, 2006.


 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.

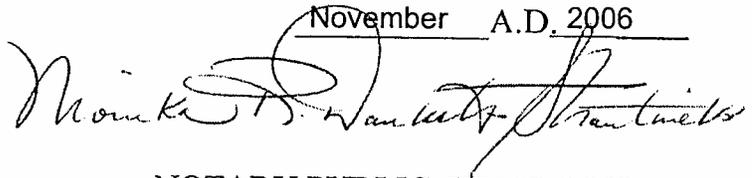
November 25, 2006



Advertising Director

Sworn and subscribed before me this 25th day of

November A.D. 2006



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

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**CITY OF
GRAND
RAPIDS**

**A PUBLIC HEARING
ON PROPOSED
WATER/SEWER
RATES AND
CHARGES FOR 2007**

Will be held at 7:00 p.m. on Tuesday, December 5, 2006, 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 2006 Rate Study" report, which is the basis for recommending rates to become effective January 1, 2007, for all residential, commercial and industrial users. That report 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.

The City anticipates launching a new program (Individual Circuit Breaker) in 2007 aimed to help retail users requiring assistance in payment of their water/sewer bills. We encourage all water/sewer users to attend this public hearing on December 5, 2006.

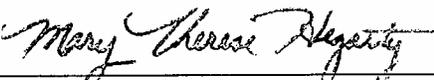
189760-01

PUBLIC HEARINGS - GRAND RAPIDS ORDINANCES

75732 Pursuant to Commission File No. 75644, dated November 14, 2006, 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 5, 2006.



Mary Therese Hegarty, City Clerk

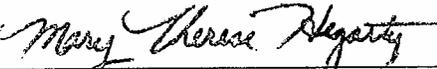
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DEC 11 2006

75733 Pursuant to Commission File No. 75645, dated November 14, 2006, 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 5, 2006.



Mary Therese Hegarty, City Clerk

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DEC 11 2006

FINAL ADOPTION OF RATE ORDINANCES

75747 An Ordinance to amend Sections 2.34, 2.35, 2.40 and 2.45 of Chapter 26 of the City Code entitled "Water Rates and Charges" was presented to the City Commission on November 14, 2006 under File No. 75644, a hearing was held on December 5, 2006 under File No. 75732, and is to be considered for adoption this date.

Com. Schmidt, supported by Com. Bliss, moved adoption of the following Ordinance:

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

ORDINANCE NO. 2006-81

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: \$49.00;
 - (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: \$68.00.This charge will be annually reviewed and may change to reflect the current average cost of installation of local distribution lines.
- (3) If the City Commission shall determine that it is not advisable to collect the front foot rate at the time of construction or connection (if not previously paid at the time of construction), it may direct that the cost be borne initially by the System and subsequently be collected from the property owner in accordance with this Section.
- (4) Upon completion of construction or at the time connection is requested (if this cost has not been paid at the time of construction), the City Engineer shall certify to the City Comptroller the cost to be charged to the property owner. The Comptroller shall in turn certify the amount thereof to the City Treasurer. The City Treasurer shall bill the owner of the premises affected advising him or her that unless the amount so billed is paid within thirty (30) days from the date of mailing that the same shall be presented to the City Commission at the first meeting thereof after the expiration of thirty (30) days for assessment against said premises as a special assessment. In the event the bill for such installation and connection is not paid within thirty (30) days from the date said notice is mailed, the City Treasurer shall report the same to the City Commission which shall examine the same and if found by it to be correct shall confirm it as a special assessment against the premises affected, at which time the City Commission shall also direct the number of installments into which the same shall be divided, and shall direct the City Assessor to extend the same upon the tax roll as a special assessment in the manner provided in Chapter 10 of this Code. All collection procedures for special assessments established in Chapter 10 of this Code shall be applicable to assessments made hereunder.

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- (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	\$ 2,450
1	4,100
1 ½	8,150
2	13,050
3	28,600
4	51,450
6 and over	114,350

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	\$1.46 per 100 cubic feet
Commercial	\$1.46 per 100 cubic feet
Industrial	\$1.46 per 100 cubic feet

	<u>Monthly Service Charge</u>
<u>Size of Meter</u>	<u>Charge</u>
3/4 inch or less	\$ 10.10
1 inch	15.04
1 1/4 inch	21.39
1 1/2 inch	29.15
2 inches	48.91
3 inches	105.35
4 inches	184.37
6 inches or larger	410.15"

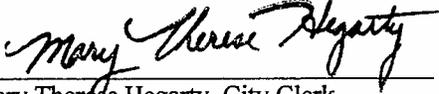
Section 4. That Section 2.45 of Chapter 26 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"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, 2007."

Carried by a roll call vote: Yeas: -7 Nays: -0
Com. Schmidt, supported by Com. Bliss, 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 19, 2006.



Mary Therese Hegarty, City Clerk

75748 An Ordinance to amend Sections 2.95, 2.96, 2.101, 2.102 and 2.105 of Chapter 27 of the City Code entitled "Sewer Rates and Charges" was presented to the City Commission on November 14, 2006 under File No. 75645, a hearing was held on December 5, 2006 under File No. 75733, and is to be considered for adoption this date.

Com. Bliss, supported by Com. White, 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. 2006-82

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: \$52.00;
 - (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: \$105.00.

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

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

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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	\$ 2,450
1	4,100
1 ½	8,150
2	13,050
3	28,600
4	51,450
6 and over	114,350

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	\$2.37 per 100 cubic feet
Commercial	\$2.37 per 100 cubic feet
Industrial	\$2.37 per 100 cubic feet

	<u>Monthly Service Charge</u>	
<u>Size of Meter</u>	<u>Charge</u>	
3/4 inch or less	\$ 8.79	
1 inch	13.00	
1 1/4 inches	18.41	
1 1/2 inches	25.02	
2 inches	41.85	
3 inches	89.94	
4 inches	157.26	
6 inches or larger	349.62"	

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 cents (\$0.210) per pound of BOD and twenty-one and four-tenth cents (\$0.214) per pound of TSS and ninety-one and seven-tenth cents

(\$0.917) 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-three and three-tenth cents (\$0.233) 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	35.00	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.

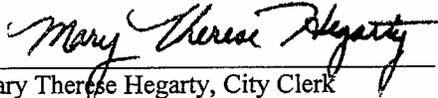
The rates, charges and fees set forth in Section 2.95, 2.96, 2.101 and 2.102 shall be effective on January 1, 2007.”

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 19, 2006.



 Mary Therese Hegarty, City Clerk

KENT COUNTY BOARD OF PUBLIC WORKS INQUIRY

SOLID WASTE DIVISION
Waste-to-Energy Facility
District Heating and
Cooling Operations
Landfill Operations
Recycling
Resource Recovery

WATER AND SEWER DIVISION
Financing
Construction
Operation



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TOM POSTMUS
Chairman

THEODORE VONK
Vice Chairman

ART TANIS
Secretary

JACK HORTON
NADINE KLEIN
DALE SOMMERS
DOUG SPORTE

DOUGLAS G. WOOD
Director

Board of Public Works

HAND DELIVERED

December 5, 2006

Mr. Eric DeLong, Deputy City Manager
City of Grand Rapids
300 Monroe Avenue NW
Grand Rapids, MI 49503

RE: City of Grand Rapids 2006 Rate Study

Dear Mr. DeLong:

This correspondence is a response to the City of Grand Rapids Preliminary 2006 Water-Sewer Rate Study received on November 9, 2006.

Our Department staff and Mark Prein, Prein & Newhoff representing the North Kent Sewer Authority conducted a review of the City of Grand Rapids Preliminary 2006 Water-Sewer Rate Study. In our review, we identified what appeared to be a change in the relative percentage of cost being assigned to the NKSA. Upon further review, the change was tracked to a significant increase to the Market Avenue Retention Basin (MARB) Capture value in Task 13 and shown on page S-28. Between 2000 and 2005, MARB flows ranged between 167 million gallons and 376 million gallons. In the 2006 Rate Study, 2,268 billion gallons are assigned to MARB. This single change in relative percentage results in an additional \$307,000 being assigned to the NKSA.

We followed up with the City of Grand Rapids to confirm how the MARB is operated. The MARB operation is a side-stream unit process. When flows decrease, the wastewater stored in the MARB is drained back into the sanitary system for treatment by the WWTP. If the flows exceed both the WWTP capacity and the MARB storage, the overflow from MARB is screened, disinfected and discharged into the Grand River. Flow enters the MARB by way of a large pump station at MARB.

By further inquiry, we determined that the flow increase is actually the result of the MARB being used as a bypass pumping station during the reconstruction of the Market Avenue Pumping Station (MAPS). The increase is not the result of wet weather flows being processed by the MARB. This is significant as wet weather flows passing through MARB are applied in the Rate Study differently than flows passing through MAPS. MAPS is a zone gated facility while MARB is part of the integrated system. Only six of the twelve communities utilize MAPS while all communities utilize MARB. The net result is that costs for the MAPS project are applied to non MAPS participating parties.

Mr. Eric DeLong
December 5, 2006
Page 2

The use of MARB as a temporary lift station benefited the users of MAPS by reducing overall project costs. The cost of using MARB in this manner needs to be recovered by the Rate Study from the users of MAPS as part of the rehabilitation project cost. The use of MAPS as a temporary lift station should not have a cost impact on the integrated system. One option to address this issue would be to:

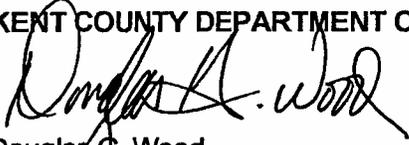
1. Estimate the wet weather flow value for MARB and use in the Rate Study. This flow could be estimated by looking at precipitation records of the past five years and using the wet weather flow for the year that is most similar to the current year study data or, if all parties are in agreement, a straight average from the past five years could be used.
2. Estimate the cost of operating MARB as a lift station based on actual cost incurred during bypass operations. Assign and add the MARB pumping operation costs to the zone gated MAPS project as a construction cost as presented in Task 10 and carry through the Rate Study.

In summary, we have completed a review of the City of Grand Rapids Preliminary 2006 Water-Sewer Rate Study and believe that a revision to the MARB flow value and MAPS capital project cost may be required to accurately distribute costs as presented in this comment.

If you have any questions or need additional data on the 2006 Rate Study, please call me at (616) 336-3532.

Very truly yours,

KENT COUNTY DEPARTMENT OF PUBLIC WORKS

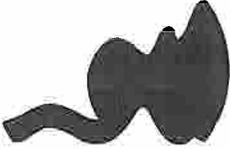


Douglas G. Wood
Director

c: NKSA Members
Michael Wolski, Utility Financial Officer

GRAND RAPIDS RESPONSE TO KCBPW INQUIRY

EXECUTIVE
OFFICE



CITY OF GRAND RAPIDS

December 20, 2006

Mr. Doug Wood, Director
Kent County Board of Public Works
Earl G. Woodworth Building
1500 Scribner Avenue N.W.
Grand Rapids, MI 49504-3233

Dear Doug:

Thank you for your letter of December 5th, regarding the City of Grand Rapids Preliminary 2006 Sewer Rate Study. In particular, your inquiry concerned the Market Avenue Retention Basis (MARB) inflow. City staff reviewed the data and determined that the increase in MARB inflow was attributable to work being done at the Market Avenue Pumping Station (MAPS). While MAPS improvements were being made, flows from that pumping station were diverted to MARB, which is estimated to have saved the system over \$1M in project costs.

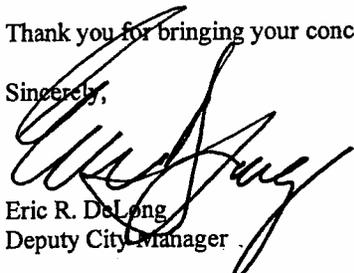
City staff's review concluded that your inquiry regarding MARB inflow merits an adjustment. The sewer rate study has been revised accordingly by adjusting the amount of MARB inflow to reflect only inflow resulting from wet weather conditions. (See attached)

The City's sewer rate making process is a user charge system (UCS) based on the Federal Clean Water Act and has been reviewed and approved by the EPA as a UCS in compliance with EPA rules and regulations for development of same. Accordingly, we only allocate revenue requirements on the basis of actual costs for the system's capital improvements. As a result, and while we appreciate your suggestion, we have determined to reflect the adjustment in the costs for the Market Avenue Pumping Station in Task 10 in a different way than suggested in your letter.

The City Commission approved 2007 rates for the North Kent service area and all our customer communities on December 19th. The adjusted North Kent service area's 2007 rates were approved as follows: commodity, \$1,047.00; monthly service charge, \$36,374. The City Clerk will be forwarding formal notification of that action and a revised rate schedule in the near future.

Thank you for bringing your concern to our attention. Please contact me if you have any questions.

Sincerely,


Eric R. DeLong
Deputy City Manager

ERD/nlm
Enclosure

cc: Utility Advisory Board
Mike Wolski
Richard Wendt

RECEIVED
DEC 29 2006

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	17,525.22
LESS: WHOLESALE BILLED FLOW	(2,411.83)
LESS: RETAIL BILLED FLOW	<u>(8,720.54)</u>
TOTAL RETAIL I/I & OTHER FLOW	<u>6,392.85</u>
2.) RETAIL INFLOW FROM SEPARATED AREAS (A)	494.90
RETAIL INFLOW FROM COMBINED AREAS - AMOUNT ESTIMATED (A)	667.32
LESS: ANNUAL BYPASS FROM (3) PUMPING STATIONS	-
LESS: IN-SYSTEM BYPASS & RETENTION BASIN OVERFLOW	<u>(7.78)</u>
TOTAL RETAIL INFLOW	<u>1,154.44</u>
3.) RETAIL INFILTRATION:	
TOTAL RETAIL I/I & OTHER FLOW	6,392.85
LESS: TOTAL RETAIL INFLOW (#2)	<u>(1,154.44)</u>
	5,238.41
LESS: MARKET AVE RETENTION BASIN (MARB) CAPTURE	<u>(83.68)</u>
TOTAL RETAIL INFILTRATION & OTHER FLOW	<u>5,154.73</u>
4.) ALLOCATION OF RETAIL INFILTRATION & OTHER FLOW - APPORTIONED ON THE BASIS OF B&V SUMMARY OF 1997 MONITORED FLOW DATA (B)	
	PRORATA SHARE OF
	RETAIL INFILTRA-
	TION & OTHER
	<u>100.0000%</u>
	<u>100.0000%</u>
	MILLION
	GALLONS
GOVERNMENTAL UNIT(S)	<u>5,154.73</u>
UTILITY PARTNERS	<u>5,154.73</u>
TOTAL	<u>5,154.73</u>

(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.

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DEC 29 2006

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	9,516.97	1,154.44	5,154.73	71.53	15,897.67	90.7131%	43.5554
NORTH KENT	1,511.95	-	-	11.37	1,523.32	8.6922%	4.1735
GAINES TWP	103.45	-	-	0.78	104.23	0.5947%	0.2856
TOTAL	11,132.37	1,154.44	5,154.73	83.68	17,525.22	100.0000%	48.0145

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

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INTRODUCTION OF RESOLUTION APPROVING CUSTOMER COMMUNITY RATES

MEMORANDUM
CITY OF GRAND RAPIDS



DATE: December 13, 2006

TO: Eric R. DeLong
Deputy City Manager

FROM: Michael E. Wolski
Utility Financial Officer

SUBJECT: 2007 CUSTOMER COMMUNITY WATER-SEWER RATES

The 2006 Preliminary Water-Sewer Rate Study recommended water and sewer rate adjustments as of January 1, 2007, 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 9, 2006. The water-sewer service agreements provide customer communities a thirty-day comment period following notification of rate adjustments. During the comment period, the City received a letter from the Kent County Board of Public Works questioning the increase in the amount of inflow to the Market Avenue Retention Basin (MARB) in the preliminary rate study. City staff reviewed the data and determined that the increase in MARB inflow was attributable to work being done at the Market Avenue Pumping Station (MAPS). While MAPS improvements were being made, flows from that pumping station were diverted to MARB, which is estimated to have saved the system over \$1M in project costs. City staff's review has concluded that the Kent County Board of Public Works inquiry regarding MARB inflow merits an adjustment. The sewer rate study has been revised accordingly, i.e., the amount of MARB inflow has been revised to reflect only inflow resulting from wet weather conditions. This change benefits users in Gaines Township and the North Kent service area and results in increases in 2007 sewer revenue requirements, from those in the preliminary rate study, ranging from 0.35% to 2.14% to our UAB partners serviced under the uniform service agreements and not eligible for relief from the City and Customer Community Circuit Breaker. In addition, during the comment period, Wright Township elected to contribute \$8,000 to offset proposed sewer rate increases effective January 1st.

The attached resolution approves the recommended water and sewer rates for the City's retail and wholesale communities for calendar year 2007. A summary of sewer revenue requirement changes and a rate schedule for each customer community, which reflects the MARB inflow adjustment noted above and Wright Township's contribution, 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 2006 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 2005, and,

WHEREAS, The 2006 Water-Sewer Rate Review has been completed using the same general methodology as the 1976 through 2005 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, 2007.

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 2007 Customer Community Rates*

**CITY OF GRAND RAPIDS, MICHIGAN
 2006 SEWER RATE STUDY- SUMMARY OF CUSTOMER COMMUNITY CALENDAR YEAR 2007
 SEWER REVENUE REQUIREMENT CHANGES- PRELIMINARY TO FINAL
 December 13, 2006**

	TOTAL REVENUE REQUIREMENTS		CHANGE	
	PRELIMINARY	FINAL *	AMOUNT	PERCENT
WALKER **	\$ 2,642,461	\$ 2,642,461	\$ -	0.00%
KENTWOOD	2,545,600	2,585,067	39,467	1.55%
CASCADE TWP	1,423,065	1,440,748	17,683	1.24%
GRAND RAPIDS TWP **	1,551,351	1,551,351	-	0.00%
TALLMADGE TWP	141,037	142,134	1,097	0.78%
WRIGHT TWP	213,518	214,259	741	0.35%
EAST GRAND RAPIDS	522,725	533,905	11,180	2.14%
ADA TWP	478,439	487,697	9,258	1.94%
NORTH KENT AREA ***	2,327,925	2,019,501	(308,424)	-13.25%
GAINES TWP ***	146,495	125,381	(21,114)	-14.41%

* AMOUNT OF REVENUE REQUIREMENTS FOR FINAL 2006 SEWER RATE STUDY. REFLECTS IMPACT OF DECREASING MARB INFLOW TO 83.68MG FROM 2.27BG, TO REFLECT WET WEATHER ONLY.

** NO IMPACT- CITY AND CUSTOMER COMMUNITY CIRCUIT BREAKER RELIEF IN EFFECT.

*** SERVICED UNDER THE OLD CONTRACTS.

Page has been removed from the published Rate Study.

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APPROVAL OF CUSTOMER COMMUNITY RATES

*75780 Com. White, 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 2005, and,

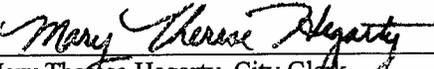
WHEREAS, The 2006 Water-Sewer Rate Review has been completed using the same general methodology as the 1976 through 2005 Water-Sewer Rate Studies, as adjusted where appropriate for the uniform water and sewer service agreements.

RESOLVED that the attached water and sewer rates are approved and shall be effective January 1, 2007.

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.

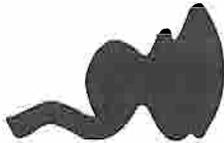
* CONSENT AGENDA APPROVAL

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 19, 2006.


Mary Therese Hegarty, City Clerk

RECEIVED

JAN 04 2007



December 21, 2006

Ms. Sandra Wisniewski, City Clerk
City of Walker
4243 Remembrance Road NW
Grand Rapids, MI 49504

Dear Sandra:

The "2006 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 9, 2006, followed by a thirty-day comment period.

On December 19, 2006, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2007. 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 456-3014.

Sincerely,

Marie A. Gowell
Deputy City Clerk

MAG/slp

Enclosures

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

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DEC 26 2006

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.39 /100 CF *
 \$ 1.31 x 106.02%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS \$ 2,642,461

NEW COMMODITY CHARGE
 990,518 x \$ 1.39 \$ 1,376,820

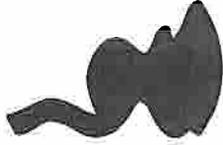
NEW MONTHLY BILLING CHARGE
 5,378 x \$ 3.38 x 12 218,132 (1,594,952)
\$ 1,047,509

MONTHLY METER CHARGE = $\frac{\$1,047,509}{6,982 \times 12} = \underline{\underline{\$ 12.50 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 12.50	\$ 3.38	\$ 15.88	\$ 14.81
1"	1.7778	22.22	3.38	25.60	24.47
1 1/4"	2.7778	34.72	3.38	38.10	36.89
1 1/2"	4.0000	50.00	3.38	53.38	52.07
2"	7.1111	88.89	3.38	92.27	90.71
3"	16.0000	200.00	3.38	203.38	201.11
4"	28.4444	355.56	3.38	358.94	355.67
6" and over	64.0000	800.00	3.38	803.38	797.27

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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December 21, 2006

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

Dear Dan:

The "2006 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 9, 2006, followed by a thirty-day comment period.

On December 19, 2006, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2007. 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 456-3014.

Sincerely,

Marie A. Gowell
Deputy City Clerk

MAG/slp

Enclosures

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

RECEIVED
DEC 26 2006

CITY OF KENTWOOD, MICHIGAN

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT. \$ 1.48 /100 CF *
\$ 1.48 x 99.78%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS		\$ 4,165,909
NEW COMMODITY CHARGE		
1,888,412 x \$ 1.48		\$ 2,794,850
NEW MONTHLY BILLING CHARGE		
4,474 x \$ 3.75 x 12		201,330
MONTHLY FIRE PROTECTION CHARGE		103,104
ANNUAL HYDRANT CHARGE		<u>-</u>
		<u>(3,099,284)</u>
		<u>\$ 1,066,625</u>

MONTHLY METER CHARGE = $\frac{\$1,066,625}{8,166 \times 12}$ = \$ 10.88 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	\$ 10.88	\$ 3.75	\$ 14.63	\$ 14.65
1"	1.7778	19.34	3.75	23.09	23.26
1 1/4"	2.7778	30.22	3.75	33.97	34.33
1 1/2"	4.0000	43.52	3.75	47.27	47.86
2"	7.1111	77.37	3.75	81.12	82.30
3"	16.0000	174.08	3.75	177.83	180.70
4"	28.4444	309.48	3.75	313.23	318.46
6" and over	64.0000	696.32	3.75	700.07	712.06

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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December 21, 2006

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

Dear Mr. Goodyke:

The "2006 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 9, 2006, followed by a thirty-day comment period.

On December 19, 2006, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2007. 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 456-3014.

Sincerely,

Marie A. Gowell
Deputy City Clerk

MAG/slp

Enclosures

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

RECEIVED

DEC 26 2006

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.70 /100 CF *
 \$ 1.67 x 102.08%

MONTHLY SERVICE CHARGE:

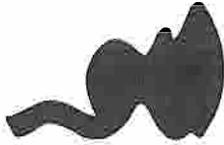
SYSTEM REVENUE REQUIREMENTS	\$ 1,440,748
NEW COMMODITY CHARGE 468,637 x \$ 1.70	\$ 796,683
NEW MONTHLY BILLING CHARGE 1,591 x \$ 3.38 x 12	<u>64,531</u>
	<u>(861,214)</u>
	<u>\$ 579,534</u>

MONTHLY METER CHARGE = $\frac{\$579,534}{2,704 \times 12} = \underline{\underline{\$ 17.86 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 17.86	\$ 3.38	\$ 21.24	\$ 20.36
1"	1.7778	31.75	3.38	35.13	34.34
1 1/4"	2.7778	49.61	3.38	52.99	52.31
1 1/2"	4.0000	71.44	3.38	74.82	74.27
2"	7.1111	127.00	3.38	130.38	130.18
3"	16.0000	285.76	3.38	289.14	289.91
4"	28.4444	508.02	3.38	511.40	513.54
6" and over	64.0000	1,143.04	3.38	1,146.42	1,152.47

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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December 21, 2006

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

Dear Janice:

The "2006 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 9, 2006, followed by a thirty-day comment period.

On December 19, 2006, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2007. 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 456-3014.

Sincerely,

A handwritten signature in cursive script that reads "Marie A. Gowell".

Marie A. Gowell
Deputy City Clerk

MAG/sip

Enclosures

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

RECEIVED

DEC 26 2006

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.71 /100 CF *
 \$ 1.69 x 101.38%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS	\$ 2,110,064
NEW COMMODITY CHARGE 744,707 x \$ 1.71	\$ 1,273,449
NEW MONTHLY BILLING CHARGE 3,693 x \$ 3.75 x 12	166,185
MONTHLY FIRE PROTECTION CHARGE	15,024
ANNUAL HYDRANT CHARGE	<u>24,240</u>
	<u>(1,478,898)</u>
	<u>\$ 631,166</u>

MONTHLY METER CHARGE = $\frac{\$631,166}{4,687 \times 12}$ = \$ 11.22 MONTHLY

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 11.22	\$ 3.75	\$ 14.97	\$ 14.69
1"	1.7778	19.95	3.75	23.70	23.33
1 1/4"	2.7778	31.17	3.75	34.92	34.44
1 1/2"	4.0000	44.88	3.75	48.63	48.02
2"	7.1111	79.79	3.75	83.54	82.58
3"	16.0000	179.52	3.75	183.27	181.34
4"	28.4444	319.15	3.75	322.90	319.60
6" and over	64.0000	718.08	3.75	721.83	714.62

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 1.58 /100 CF *
 \$ 1.49 x 106.02%

MONTHLY SERVICE CHARGE:

SYSTEM REVENUE REQUIREMENTS	\$ 1,551,351
NEW COMMODITY CHARGE	
426,541 x \$ 1.58	\$ 673,935
NEW MONTHLY BILLING CHARGE	
3,304 x \$ 3.38 x 12	<u>134,010</u>
	<u>(807,945)</u>
	<u>\$ 743,406</u>

MONTHLY METER CHARGE = $\frac{\$743,406}{4,037 \times 12} = \underline{\underline{\$ 15.35 \text{ MONTHLY}}}$

METER SIZE	EQUIVALENT	MONTHLY SERVICE CHARGE			PRESENT
		METER	BILLING	TOTAL	
3/4" or less	1.0000	\$ 15.35	\$ 3.38	\$ 18.73	\$ 17.52
1"	1.7778	27.29	3.38	30.67	29.29
1 1/4"	2.7778	42.64	3.38	46.02	44.42
1 1/2"	4.0000	61.40	3.38	64.78	62.91
2"	7.1111	109.16	3.38	112.54	109.98
3"	16.0000	245.60	3.38	248.98	244.47
4"	28.4444	436.62	3.38	440.00	432.75
6" and over	64.0000	982.40	3.38	985.78	970.71

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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December 21, 2006

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

Dear Ms. Cook:

The "2006 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 9, 2006, followed by a thirty-day comment period.

On December 19, 2006, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2007. 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 456-3014.

Sincerely,

Marie A. Gowell
Deputy City Clerk

MAG/slp

Enclosures

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

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DEC 26 2006

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

COMMODITY CHARGE:

PRESENT CHARGE x RATE ADJUSTMENT \$ 3.75 /100 CF *
 \$ 3.99 x 94.02%

MONTHLY SERVICE CHARGE:

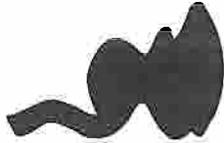
SYSTEM REVENUE REQUIREMENTS	\$ 119,961
NEW COMMODITY CHARGE 24,400 x \$ 3.75	\$ 91,500
NEW MONTHLY BILLING CHARGE 118 x \$ 3.75 x 12	5,310
MONTHLY FIRE PROTECTION CHARGE	4,560
ANNUAL HYDRANT CHARGE	<u>10,176</u>
	<u>(111,546)</u>
	<u>\$ 8,415</u>

MONTHLY METER CHARGE = $\frac{\$8,415}{158 \times 12} = \underline{\underline{\$ 4.44 \text{ MONTHLY}}}$

<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	\$ 4.44	\$ 3.75	\$ 8.19	\$ 9.08
1"	1.7778	7.89	3.75	11.64	13.36
1 1/4"	2.7778	12.33	3.75	16.08	18.86
1 1/2"	4.0000	17.76	3.75	21.51	25.58
2"	7.1111	31.57	3.75	35.32	42.69
3"	16.0000	71.04	3.75	74.79	91.58
4"	28.4444	126.29	3.75	130.04	160.02
6" and over	64.0000	284.16	3.75	287.91	355.58

* NEW RATES EFFECTIVE, ON A PRO-RATA BASIS, JANUARY 1, 2007

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December 21, 2006

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

Dear Ms. Way:

The "2006 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 9, 2006, followed by a thirty-day comment period.

On December 19, 2006, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2007. 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 456-3014.

Sincerely,

Marie A. Gowell
Deputy City Clerk

MAG/slp

Enclosures

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

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DEC 26 2006

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

MONTHLY REU CHARGE:

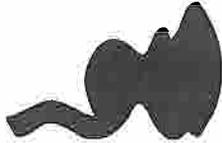
$$\frac{\text{TOTAL REVENUE REQUIREMENTS}}{\text{TOTAL REU'S * 12 MONTHS}} = \frac{\$206,259}{352.437 \times 12} = \$ 48.77 \quad \text{MONTHLY REU CHARGE *}$$

TOTAL REVENUE REQUIREMENTS ARE NET OF CONTRIBUTION OF \$ 8,000

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	\$ 48.77	7.5000	\$ 365.78	19.0000	\$ 926.63
1.5000	73.16	8.0000	390.16	20.0000	975.40
2.0000	97.54	8.5000	414.55	25.0000	1,219.25
2.5000	121.93	9.0000	438.93	30.0000	1,463.10
3.0000	146.31	9.5000	463.32	35.0000	1,706.95
3.5000	170.70	10.0000	487.70	40.0000	1,950.80
4.0000	195.08	11.0000	536.47	50.0000	2,438.50
4.4000	214.59	12.0000	585.24	60.0000	2,926.20
4.5000	219.47	13.0000	634.01	70.0000	3,413.90
5.0000	243.85	14.0000	682.78	80.0000	3,901.60
5.5000	268.24	15.0000	731.55	90.0000	4,389.30
6.0000	292.62	16.0000	780.32	100.0000	4,877.00
6.5000	317.01	17.0000	829.09	150.0000	7,315.50
7.0000	341.39	18.0000	877.86	200.0000	9,754.00

* NEW RATES EFFECTIVE ON JANUARY 1, 2007



December 21, 2006

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

Dear Karen:

The "2006 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 9, 2006, followed by a thirty-day comment period.

On December 19, 2006, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2007. 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 456-3014.

Sincerely,

Marie A. Gowell
Deputy City Clerk

MAG/slp

Enclosures

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

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DEC 26 2006

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS	\$ 818,712
NEW COMMODITY CHARGE	
658,382 x \$1.01 =	(664,966)
	<hr/>
	<u>\$ 153,746</u>

MONTHLY SERVICE CHARGE = \$153,746 / 12 = \$12,812

CITY OF EAST GRAND RAPIDS, MICHIGAN

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

SYSTEM REVENUE REQUIREMENTS \$ 533,905

NEW COMMODITY CHARGE (512,277)
462.344 x \$ 1,108.00 =

\$ 21,628

MONTHLY SERVICE CHARGE = \$ 21,628 / 12 = \$1,802

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December 21, 2006

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

Dear Deborah:

The "2006 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 9, 2006, followed by a thirty-day comment period.

On December 19, 2006, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2007. 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 456-3014.

Sincerely,

Marie A. Gowell
Deputy City Clerk

MAG/slp

Enclosures

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

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DEC 26 2006

ADA TOWNSHIP

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

SYSTEM REVENUE REQUIREMENTS	\$ 1,081,116
NEW COMMODITY CHARGE	
661,822 x \$1.09 =	(721,386)
	<hr/>
	<u>\$ 359,730</u>

MONTHLY SERVICE CHARGE = \$359,730 / 12 = \$29,978

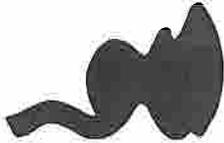
ADA TOWNSHIP

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

SYSTEM REVENUE REQUIREMENTS	\$ 487,697
NEW COMMODITY CHARGE	
327.601 x \$ 1,295.00 =	(424,243)
	<hr/>
	<u>\$ 63,454</u>

MONTHLY SERVICE CHARGE = \$ 63,454 / 12 = \$5,288

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December 21, 2006

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 "2006 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 9, 2006, followed by a thirty-day comment period.

On December 19, 2006, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2007. 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 456-3014.

Sincerely,

A handwritten signature in cursive script that reads "Marie A. Gowell".

Marie A. Gowell
Deputy City Clerk

MAG/slp

Enclosures

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

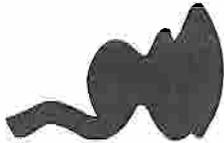
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DEC 26 2006

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

SYSTEM REVENUE REQUIREMENTS	\$ 2,019,501
NEW COMMODITY CHARGE	
1,511.948 x \$ 1,047.00 =	(1,583,010)
	<hr/>
	<u>\$ 436,491</u>

MONTHLY SERVICE CHARGE = \$436,491 / 12 = \$36,374



December 21, 2006

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

Dear Crystal:

The "2006 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 9, 2006, followed by a thirty-day comment period.

On December 19, 2006, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2007. 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 456-3014.

Sincerely,

Marie A. Gowell
Deputy City Clerk

MAG/slp

Enclosures

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

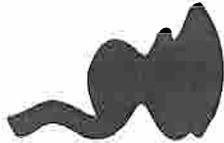
RECEIVED

DEC 26 2006

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

SYSTEM REVENUE REQUIREMENTS	\$ 125,381
NEW COMMODITY CHARGE	
103.447 x \$ 1,047.00 =	(108,309)
	<hr/>
	<u>\$ 17,072</u>

MONTHLY SERVICE CHARGE = \$ 17,072 / 12 = \$1,423



December 21, 2006

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 "2006 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 9, 2006, followed by a thirty-day comment period.

On December 19, 2006, the Grand Rapids City Commission adopted a resolution to approve the new rates with an effective date of January 1, 2007. 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 456-3014.

Sincerely,

A handwritten signature in cursive script that reads "Marie A. Gowell".

Marie A. Gowell
Deputy City Clerk

MAG/slp

Enclosures

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

RECEIVED

DEC 26 2006

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

SYSTEM REVENUE REQUIREMENTS	\$ 1,151,835
NEW COMMODITY CHARGE	
1,041,397 x \$1.11 =	(1,155,951)
	<hr/>
	<u>\$ (4,116)</u>

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

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