

UTILITY ADVISORY BOARD
Thursday, December 18, 2025
8:30 – 9:30 am
AGENDA

1. Approval of Minutes – November 6, 2025
2. Public Comments on Agenda Items
3. Approval of Agenda
4. Updates
 - a. 2025 Water/Sewer Report (November) – McCaul
5. Water Legislation Letter – Jernberg
6. 2026 Schedule – Verbrugge
7. Public Comments
8. Items from Members
9. Next Meeting – January 15, 2025
10. Adjournment

UTILITY ADVISORY BOARD
Thursday, November 6, 2025
MINUTES

Members Present

Mark Bennett, Mike DeVries, Samarhia Giffel, Jared Grabinski, Wayne Jernberg, Jim Kirkwood, Doug La Fave, Jeff McCaul, Alison Nugent, Lindsay Sagorski Munsell, Darrel Schmazel, Julius Suchy, and Tai Verbrugge

Alternates Present

Alan Avitia, Brian Bradley, and Kieran Kelley

Others Present

Kolene Allen, Kurt Anderson, Alexia Hall, and Dan Taber

Call to Order

Mr. Schmazel called the meeting to order at 8:30 am.

Approval of Minutes – October 16, 2025

Motion to approve the minutes made by Mr. Jernberg and seconded by Mr. Verbrugge.

MOTION CARRIED.

Public Comments on Agenda Items

There were no public comments.

Approval of Agenda

Motion to approve the agenda made by Mr. Jernberg and seconded by Ms. Giffel.

MOTION CARRIED.

Membership/Alternatives

Mr. Jernberg reported that there have been some changes in membership and asked everyone to review the member list included in the agenda packet. He reminded members to verify who their designated alternate is and to ensure that their alternate is invited to attend meetings whenever they are unable to be present.

He also introduced Lindsay Sagorski Munsell as the newest member representing the City of Grand Rapids. In addition, Dan Taber attended the meeting as a stand-in for Tiffany Berry, who is currently on leave.

Updates

2025 Water/Sewer Report (October)

Mr. McCaul presented the Water/Sewer Report for October 2025. Six bids were awarded during the period. Two projects involve Private Lead Service Line Replacements. Two projects at the Lake Michigan Filtration Plant cover façade repairs and roof improvements. One project includes external cleaning and painting of the Alger Reservoir, and another involves reconstruction of a section of Cesar E. Chavez Avenue.

Kent County Community Action 3rd Quarter

Ms. Giffel gave the 3rd quarter update on the Kent County Community Action program. There are still plenty of funds available.

Mr. Jernberg added that, in response to the Federal shutdown, the City decided to suspend water shutoffs on November 5, indefinitely. The City will reassess again after Thanksgiving.

Preliminary 2025 Water Rate/Study

Mr. Verbrugge presented the 49th Annual Preliminary Rate Study for 2025. He gave an overview of the process and explained the main building blocks of the revenue requirement.

As a whole, projected rate changes include a 6.38% increase for Water and a 3.09% decrease for Sewer. Comparisons of the average household quarterly bill were shown for each retail community.

Rate Impact Factors – Water

Factors that impacted water rates include:

Increases

- 6.97% – Assets: Return on System Investment & Depreciation
- 2.72% – Operations & Maintenance (O&M)
- 0.48% – Unused Penalty Credits from Previous Year

Decreases

- (2.43%) – Revenue Expectation (Three-year average water billed volume increased, reducing the rate need)
- (0.83%) – Integrated Revenues / Community Affordability Program
- Proposed System Average Rate Increase: 6.91%

Rate Impact Factors – Sewer

Increases

- 0.50% – Community Affordability Program (Circuit Breaker)
- 0.40% – Assets: Return on System Investment & Depreciation
- 0.11% – Reduced Penalty Credits from Last Year

Decreases

- (2.97%) – Operations & Maintenance
- (0.70%) – Natural Gas & Other Integrated Revenues
- (0.49%) – Revenue Expectation

Proposed System Average Rate Change: 3.12% Decrease

Billed Volume

Water Supply System

- 2025 water volume is up 3.39% compared to 2024.
- Three-year average water volume is up 1.69%.

Sewer Disposal System

- 2025 sewer volume is up 3.00% compared to 2024.
- Three-year average sewer volume is up 0.60%.

Assistance/Affordability Programs

The assistance and affordability programs help reduce rates. These programs include the Individual Assistant Program (ICB) and the Community Affordability Program.

2025 Water / Sewer Rate Study Schedule

Mr. Verbrugge gave the timeline. He reminded communities that his team can meet with anyone who has questions or wants more details.

Motion made by Mr. Bennett, seconded by Mr. Suchy to recommend that the preliminary rates are presented to the City Commission.

MOTION CARRIED.

Water Utilities and Data Center Discussion

Mr. Jernberg encouraged everyone to read an article that was released by the American Water Works Association, titled “Cooling the Cloud: Water Utilities in a Data-Driven World.” This addresses the significant water usage and infrastructure challenges posed by data centers and gives guidance for water utilities on how to manage the increased demand for water driven by expanding data centers and AI infrastructure, which use vast amounts of water for cooling.

Water Affordability Legislation

Mr. Jernberg presented on Michigan’s Pending Water Affordability Legislation.

The four key bills include:

SB 248 – Statewide Income-Based Water Affordability Program

Creates a statewide program that caps household water payments based on income. Key features include:

- Two-tier capped payment structure based on the Federal Poverty Level (FPL):
 - 0–135% FPL: Water bills capped at 2% of average household income in the service area.
 - 136–200% FPL: Bills capped at 3% of average household income.
 - Hardship waivers available for households between 201–250% FPL.
- Arrearage forgiveness: Up to \$1,500 in year 1, \$1,500 in year 2, with increased forgiveness options for hardship cases.
- Plumbing repair assistance: Up to \$2,500 to help reduce consumption and lower bills.
- Discounted water cap to promote reasonable usage.
- Triage / wraparound support for customers who fall behind on payments.
- Local option: Water providers may join the statewide program or administer an approved local alternative.

SB 250 – Funding Mechanism

Establishes how the program is paid for.

- \$1.25 per month charge on each domestic metered water account.
- Annual \$0.25 increase for three years.
- Funds flow to a state-managed central fund and are allocated by four MDHHS regions—each region receives what its customers contributed.

SB 252 – Shutoff Protection

Strengthens consumer protections related to water shutoffs.

- Sets requirements for how many notices and what information must be provided before shutting off service for non-payment.
- Creates a Critical Care Customer category that prevents shutoff for medically vulnerable customers, regardless of income.

SB 249 – Low-Income Water Residential Affordability Program Task Force

- Establishes a task force to review program operations and recommend improvements for rules, administration, and funding.

Ms. Giffel added that more information can be found at miwaterplan.com.

Mr. La Fave made a motion that the UAB draft a letter to the State in regard to these affordability bills. Seconded by Mr. Bennett.

MOTION CARRIED.

A draft letter will be presented for review at the December meeting.

Public Comments

There were no public comments.

Items from Members

- Mr. La Fave thanked Tai and his team for all their work on the rate study.
- Ms. Sagorski Munsell said that the City has started working on their capital budget. Also, the Comprehensive Master Plan is currently being finalized and will be presented to the board after the 1st of the year.
- Mr. Jernberg said that there has been a lot of news regarding rate increases in other communities in the area and it's a testament to this board for working to keep rates steady for our communities.

Wyoming is currently building a third transmission main and we are collaborating with them to create an emergency plan through our interconnects. An assessment is currently being done to create a regional hydraulic model. We don't anticipate this having a huge benefit to Grand Rapids. There are some concerns regarding differing treatment processes between the systems that will also be evaluated.

Plainfield Township is having an issue finding suitable locations for additional wells. The location they originally planned is near a PFAS plume and EGLE is requiring them to perform a study to identify all options for adding to their water supply. One option that would be the easiest would be to feed portions of Alpine Township with Grand Rapids water. This could affect Tallmadge and Walker.

More details will be shared as things progress.

- Ms. Nugent said that Caledonia is getting ready to switchover its water source from groundwater to Grand Rapids water. They had a public open house, which Ms. Sagorski Munsell attended. She said residents are excited for the switchover.

Next Meeting

The next meeting is scheduled for December 18, 2025.

Adjournment

Mr. Schmazel adjourned the meeting at 9:20 am.

**Water/Sewer UAB Report
November 2025**

Project Name	Contractor(s)	Award Date	Substantial Completion Date	Final Completion Date	Water Fund Authorized NTE Amt	Sewer Fund Authorized NTE Amt	Est. Year for Rates	Integrated (Y/N)
Replacement of Backwash Check Valves at the LAKE MICHIGAN FILTRATION PLANT	DHE Plumbing and Mechanical, Inc.	11/18/25	5/29/26	6/26/26	\$ 303,580.00	N/A	2026	Y



Utility Advisory Board
1900 Oak Industrial Drive NE
Grand Rapids, MI 49505

November 17, 2025

Re: Water Affordability Package

To Whom It May Concern:

The City of Grand Rapids Water and Sewer Systems and its Partner Communities, collectively known as the Utility Advisory Board (UAB), support water affordability in the State of Michigan. The communities represented by the UAB are as follows:

- Ada Township
- Caledonia Township
- Cascade Township
- Gaines Township
- Tallmadge Township
- Wright Township
- City of East Grand Rapids
- City of Grand Rapids
- City of Kentwood
- City of Walker
- County of Ottawa

The UAB annually allocates approximately \$300,000 of non-operating revenue to the Kent County Community Action for water and sewer payment assistance, demonstrating our commitment to supporting those in our community who struggle to pay their utility bills. In most years, we do not receive enough requests to fully expend these funds. The services we collaboratively provide have been effective for nearly 20 years, and we are concerned that the proposed bills may impact these long-standing partnerships and the assistance that we deliver.

We are pleased to see the diverse stakeholders engaged in the conversations surrounding the water affordability package introduced at the State level by Senator Chang and co-sponsors. We recognize the participation and efforts of the workgroups, which included West Michigan stakeholders, water providers from across the state, local government officials, clean water advocates, environmental organizations, community action agencies, United Way partners, and staff from the Michigan Department of Health and Human Services.

The UAB remains concerned about several key aspects of the water affordability package and the overall approach to addressing affordability statewide. Our concerns are as follows:

- Lack of transparency in the proposed funding allocation. The funding formula raises questions about projected revenue versus actual need. We believe it is essential to establish a more transparent, data-supported allocation formula, accompanied by a statewide utility rate

transparency report, to ensure equitable distribution of funds remain in the community that generates them.

- Excessive complexity within the proposed bills is also a concern of ours. The requirements related to income levels, population-based water allocations, household income data, and the waiving of arrearages create administrative burdens many communities cannot meet. Most will lack the capacity to track the added data categories or process more complex bills without significant staffing increases or customer information system upgrades.
- We oppose the shut-off protections that have been proposed. During the COVID-19 water shut-off moratorium, we experienced a significant increase in delinquent account balances and have concerns that similar outcomes may occur under the proposed protections.
- Decriminalization of unauthorized water reconnection. We oppose this change, as decisions regarding enforcement should remain at the local level with consideration for the unique circumstances of each community.
- Use of public dollars accumulated for improvements and repairs on private property plumbing. We have concerns regarding the appropriateness and long-term implications of directing public funds toward private plumbing repairs.

However, we support the tenant account bill, which aims to provide additional support for tenants in need. This is a crucial step towards ensuring all Michigan residents have access to essential utilities.

Before launching any funding program, we strongly recommend passing the long-discussed data transparency bill that has been discussed for many years now. This bill would provide a clear understanding of what a funding program should finance, identify utilities with outdated rate study models, and determine the actual needs of each community. It would also indicate the systems with the greatest need for assistance and affordability programs, while highlighting those that already have effective programs in place.

Public utilities like water and sewer are not-for-profit entities and rely on rates to fund operations and infrastructure. We urge you to consider this distinction in your deliberations and work toward a funding bill that effectively addresses the unique challenges these utilities face.

Thank you for your time and attention to these concerns. We are eager to discuss these matters further and work collaboratively towards solutions that best serve all communities across the State of Michigan.

Sincerely,

Darrel Schmalzel, Vice Chair
Grand Rapids Utility Advisory Board
City of Walker – City Manager

MEETING NOTICE



CITY OF GRAND RAPIDS

Utility Advisory Board Meeting 2026 Annual Meeting Notice

Thursday January 15 8:30 AM

Thursday February 19 8:30 am

Thursday March 19 8:30 AM

Thursday April 16 8:30 AM

Thursday May 21 8:30 AM

Thursday July 16 8:30 AM

Thursday August 20 8:30 AM

Thursday September 17 8:30 AM

Thursday October 15 8:30 AM

Monday November 9 8:30 AM

Thursday December 17 8:30 AM

All meetings are scheduled to take place at the Water Resource Recovery Facility located at 1300 Market Ave SE.

If you have any questions, you may contact the Water Department at 616-456-4343.