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TO: Mayor and Council

FROM: Craig Hupy, Public Services Area Administrator  
Marti Praschan, Financial Manager – Public Services

CC: Tom Crawford, Interim City Administrator  
Matt Horning, Interim CFO/Treasurer  
Karen Lancaster, Finance Director

SUBJECT: Public Services – Water Rates

DATE: April 22, 2016

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**Question #40:** Could we please have a comparison on both rates and rationale behind the rates for water service in Lansing, Grand Rapids and Kalamazoo? These three cities have varying water rates, and it would be valuable to understand both the City's rationale and the peer cities' rationales. (Councilmember Briere)

**Response:** Attached is the typical annual comparison we complete. Since Kalamazoo does not have a comparable system, they are not typically included.

# Typical Residential Bill Comparison



- 2016 Typical Residential Bill • 2017 Typical Residential Bill

Water	\$52.30
Sewer	\$80.10
Storm water	\$34.77
Subtotal:	\$167.17
Early Payment Discount	(\$16.72)
Average Quarterly Bill	\$150.45

Water	\$54.32
Sewer	\$84.69
Storm water	\$36.52
Subtotal:	\$175.53
Early Payment Discount	(\$17.55)
Average Quarterly Bill	\$157.98

Annual Increase	\$30.12
Effective Increase	5.00%

The Typical Residential Bill is based on 17 units per quarter and falls in Tier 2 of the Storm water Rate Structure

# Rate Comparison



Community	Anticipated Increase
City of Ypsilanti	6.2%
City of Port Huron**	3.2%
City of Ann Arbor	5.0%
City of Lansing*	2.6%
City of Grand Rapids***	1.6%

\* Sewer rate increase only, Water was increased 28% in the past 5 years

\*\* Previous year included two rate adjustments, one mid-year adjustment

\*\*\* Previous year's increase was 18.2%