

**TOWNSHIP OF GRANT
ORDINANCE NUMBER 98-01**

WATER RATE ORDINANCE

AN ORDINANCE TO PROVIDE FOR THE FIXING, COLLECTION, SEGREGATION, AND DISPOSITION OF THE REVENUES OF THE GRANT TOWNSHIP WATER SYSTEM AND CREATING A STATUTORY LIEN ON SAID REVENUES OF THE TOWNSHIP OF GRANT, UNDER THE PROVISIONS OF ACT 94, PUBLIC ACTS OF MICHIGAN, 1933, AS AMENDED.

THE TOWNSHIP OF GRANT, COUNTY OF KEWEENAW, STATE OF MICHIGAN
Hereby ordains:

SECTION 1. DEFINITIONS.

For the purpose of this ordinance, the following words, terms, and abbreviations shall have the meaning set out below, unless the context specifically indicates otherwise. Throughout the ordinance, the verb "shall" indicates mandatory action, "may" indicates permissive action, and, "will" is simple future action.

- 1.1 ADMINISTRATIVE COST means the cost of administering the water system, including Utility Board costs, billing and collecting charges, audits of accounts, and insurance.
- 1.2 BOARD or GRANT TOWNSHIP BOARD means the panel of persons elected by the voters of Grant Township, and consists of a Supervisor, Treasurer, a Clerk, and two Trustees.
- 1.3 CAPITAL COST means all reasonable and necessary expenses incurred by Grant Township in planning, designing, financing and constructing the water system, including, but not limited to expenses incurred in obtaining necessary permits, licenses, approvals, and grants for design and construction; fees for legal and consulting services; and acquisition.
- 1.4 DEBT REDUCTION CHARGE means the charge related to the principal and interest necessary to pay bonded or other indebtedness (DEBT SERVICE) related to capital costs for Water Department facilities owned or operated by the Township.
- 1.5 DEBT SERVICE means the principal and/or interest necessary to pay bonded or other indebtedness related to capital costs.
- 1.6 GOVERNMENTAL USER means those entities that administer or execute governmental programs as well as the office of executives, legislative bodies, and agencies, which provide general support services for government.
- 1.7 METERING POINT means a water meter which measures water flow to users of the water and/or wastewater system. For billing purposes, a premises where a water meter has been installed but connection to the water system or sewer system has not been completed shall be considered a metering point

- 1.8 OPERATION AND MAINTENANCE COSTS (O&M COSTS) means the expense related to the operation, maintenance, and replacement of the equipment, accessories, or appurtenances necessary to maintain capacity and performance during the useful life of the water system. OM&R costs will be charged to all users of the system based on "per gallon" consumption
- 1.9 PREMISES mean the particular property connected to the water system and includes appurtenant land and improvements.
- 1.10 SEWAGE means the liquid carried waste products from whatever source derived, together with such groundwater infiltration and surface water as may be present.
- 1.11 SEWER/SEWER SYSTEM means the pipelines, conduits, pumping stations, force mains, and all other devices and appliances appurtenant thereto, used for collecting or distribution of waste water, sewage, industrial waste, and other waste liquids.
- 1.12 TOWNSHIP means Township of Grant, Keweenaw County, Michigan.
- 1.13 USER means any person, firm, corporation, or other entity, whether municipal or otherwise, connected to the Township water system, or the Township Sewer System if the premises employs the water meter to record flow that will enter the sewage system.
- 1.14 UTILITIES BOARD, COPPER HARBOR UTILITIES BOARD, OR GRANT TOWNSHIP - COPPER HARBOR UTILITIES BOARD means the five-member panel of persons appointed by the Township Board, as authorized by Resolution dated October 14, 1991.
- 1.15 WATER SYSTEM - GRANT TOWNSHIP WATER SYSTEM means any facility, appurtenant structure, arrangement of devices, work, property or instrumentality as the same shall from time to time exist, used for the production, treatment, and distribution of water by the Township, including, but not limited to, any private water systems improved by federal funds obtained through the Township.

SECTION 2. CONTROL OF SYSTEM,

- 2.1 In pursuance of and within the limits of applicable laws, the operation, management, maintenance, and repair of the water system, including collection and disposition of the revenues thereof, shall be under the immediate super-vision and control of the Township Board, and the Township Board may employ such board, person or persons as it deems advisable to carry on the efficient management and operation of the water system. The Township Board may make such rules, orders, and regulations, as it deems advisable and necessary to assure the efficient management and operation of the System.

SECTION 3. RATES AND CHARGES.

- 3.1 It is the purpose of this ordinance to recover from the users of the water system, on an equitable basis, all the costs and charges of operating and maintaining the water system, including, but not limited to, administrative costs, O&M costs, and debt service charges of the water system.
- 3.2 The water Administrative charge and Debt Service (debt reduction) charge provided for in this Ordinance is hereby levied and assessed upon each parcel of land, building, or premises for which a means of connection into the water system has been provided since January 1, 1991.
- 3.3 The Township Board shall, at least annually, determine and fix by resolution, the unit costs for use of the water system on the basis of number of users ("metering points"), and the estimated gallons of water to be produced for the period covered, and may increase or decrease such cost

as often and in such amounts as may reasonably be required to accomplish the purposes of this section.

- 3.4 At such intervals as determined by its resolution, the Township Board shall compute the amount owed to the Township for water service charges and render a statement thereof to the owner or occupant of premises using, or with access to, the water system. Such charges shall be pursuant to the most recent rate resolution establishing charges and rates in accordance with this Ordinance. All amounts due hereunder shall be payable at the Township office or other designated location.
- 3.5 The Township shall each year provide an annual financial review that will address specific areas of concern including: the need to generate sufficient revenue through water service charges and user charges to cover total O&M costs; debt service costs; the necessity of maintaining a proportionate system of user charges pursuant to current federal regulations; the need to review the replacement account to determine its proper level of funding.
- 3.6 For water used through fire hydrants, the Township will pay a charge of \$20.00 per month per hydrant, which charge shall be payable in monthly installments from the current funds of the Township, or from the proceeds of taxes which the Township, within constitutional and statutory limits, is hereby authorized and required to levy in an amount sufficient for that purpose.
- 3.7 There shall, be imposed a charge of \$25.00 for turn-off and a separate charge of \$25.00 for turn-on whenever the Township is requested to provide such turnoff or turn-on service. Requests for turn on/turnoff service must be made at least twenty-four (24) hours in advance of the time the service is desired. Whenever the Township is requested to provide such service other than during regular business hours, there will be a surcharge for labor of 50% and materials of 10%.
- 3.8 A special rate for miscellaneous services shall be fixed by the Township Board, reviewed annually, and adjusted as necessary to reflect all current costs associated with such services.

SECTION 4. BILLING

- 4.1 All customers will be billed MONTHLY or as determined by the Township Board and specified in the Rate Resolution governing the billing period. All bills must be paid by the 25th day of the month in which they are billed.
- 4.2 A \$25.00 service charge will be assessed to any water bill paid by check when subsequent to payment, the check should is not honored by the bank or is returned for insufficient funds.

SECTION 5. DELINQUENT ACCOUNTS.

- 5.1a Accounts not paid by the 25th of the month in which they are billed will be considered delinquent. If the delinquent amount has not been paid by the end of the month following the month in which it became delinquent, a "turnoff" notice will be sent stating that the overdue amount must be paid within 13 days of the issuance date of the "turn off" notice. If the delinquent amount is not paid at the end of the 13 day period, water service to the premises will be turned off and shall not be turned on again until all amounts, including any penalty charges, have been paid. A One and one-half percent (1 ½%) per month penalty charge will be added to the delinquent amount until paid.
- 5.1b If an account is delinquent for more than sixty (60) days, in addition to any other remedies available under this Ordinance, the water supply for the premise covered by that account shall be turned off and shall not be turned on again except on payment in full of the delinquent water

service charges therefor, in addition to the payment of a charge of \$50.00 for turn on and turn off services.

SECTION 6. NEW CONSUMER CONNECTION TO WATER SUPPLY.

- 6.1a The owner of a premises on which there is an existing main but no service has been provided to the premises, who desires to connect to the water system must prepare an application for service and submit in advance a fee of \$ 1600.00 (or such other amount as may be specified in subsequent and then current water rate resolutions), which amount includes a \$ 100.00 inspection fee. The Township Board shall determine the location of service. Payment made to the Grant Township Water System for a supply connection installation is not refundable.
- 6.1b Subject to the limitations set forth in Section 11 of Grant Township Ordinance 98-02 governing operation and maintenance of the water system, the owner of a premises on which there is no existing main and who has received approval on an application for service, shall have the extension of the main constructed by a contractor hired by the applicant for this purpose and shall pay all of the costs and expenses associated with the construction of the extension of the main. The design, materials, method of construction, and all other matters associated with the construction of the extension of the main shall be subject to the approval of the Township Board or its designated agent. During the course of construction, the applicant shall not deviate from the plans for construction, the materials used in construction, the method of construction, and all other matters associated with construction once the plans, materials, method, and all other matters have been approved by the Township Board. The Township Board or its agents shall have the right to inspect the extension of the main at all times while it is being constructed and the applicant shall inform the Township Board, through the Township Clerk, when construction is in progress so that the Township Board will be informed of the time when construction takes place. Failure by the applicant to abide by any provision of this Section shall be grounds for the Township Board to refuse to allow a connection to the water system.
- 6.2 Installation of the service line to the house from the property line and well abandonment (plugging), and the cost thereof will be the responsibility of the property owner. (Refer to Operation Ordinance 98-02.)
- 6.3 If well abandonment (plugging) is not accomplished within sixty (60) days of the completion of service installation to the premises, water service is subject to discontinuance upon owner's receipt of written notice from the Township Board.

SECTION 7. CHANGE IN OWNERSHIP OR SERVICE.

- 7.1 Upon any change in ownership of property, or change in the water service to the property, the new owner (if a change in ownership), or present owner (if a change in service) must notify the Township, in writing, of the change and provide complete billing information for the service. All changes in service must conform to the provisions of Grant Township Ordinance No. 98-02 (Grant Township Water Operation and Maintenance Ordinance). Failure to provide notification to the Township may result in discontinuance of water service to the premises until such notification is made.

SECTION 8. NO FREE WATER SERVICE.

- 8.1 No free water service shall be furnished by the water system to any individual, firm, or corporation, public or private or to any public agency or instrumentality.

SECTION 9. LIEN RIGHTS - ENFORCEMENT.

- 9.1 The water service charge which is under the provisions of Section 21, Act 94 Public Acts of Michigan 1933, as amended, is made a lien on all premises served thereby, and is hereby recognized to constitute such when and whenever such charge against any piece of property shall be delinquent for six (6) months. The Township official or officials in charge of the collection thereof shall certify annually, on or after July 1st of each year, to the tax assessing officer of the Township, the fact of such delinquency, whereupon he shall enter such charge upon the next tax roll as a charge against such premises, and shall be collected and the lien thereof enforced in the same manner as general Township taxes against such premises are collected, and the lien thereof enforced.

SECTION 10. FIXING AND REVISING RATES.

- 10.1 The Township Board shall at least annually determine and fix by Resolution, the unit costs for use of the water system facilities on the basis of the number of users, rates hereby fixed are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the water system as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the water system as this Ordinance may require. Such rates shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed at all times to fix and maintain such rates for services furnished by the water system as shall be sufficient to provide for the foregoing.

SECTION 11. FISCAL YEAR.

- 11.1 The water system shall be operated on the basis of a fiscal year commencing on April 1st each year and ending March 31st next following.

SECTION 12. ACCOUNTS.

- 12.1 The revenues of the water system shall be set aside, as collected, and deposited in a separate depository account in a bank or trust company duly qualified and doing business within the State of Michigan, in an account to be designated GRANT TOWNSHIP WATER FUND, and said revenues so deposited are pledged for the purpose of the following accounts:

A) WATER FUND CHECKING ACCOUNT.

Out of the gross revenues there shall be first set aside a sum sufficient to provide for the payment of all expenses of administration, operation, and such expenses for maintenance as may be necessary to preserve the water system in good repair and working order, as well as any sums necessary to pay current bills.

The Township Board, prior to the commencement of each fiscal year, shall adopt a budget covering the foregoing expenses for each year, and such total expenses shall not exceed the total amount specified in said budget, except by a vote of three-fifths (3/5) of the members of the Township Board.

B) BOND INTEREST REDEMPTION ACCOUNT

There shall next be set aside a sum sufficient to build up a reserve for interest redemption, as determined from the Bond Payment Schedule, which shall be used solely for the purpose of meeting the financial requirements for outstanding debt of the water system.

C) BOND RESERVES ACCOUNT

There shall next be set aside a sum sufficient to build up a reserve for debt retirement, as determined from the Bond Payment Schedule, which shall be used solely for the purpose of meeting the financial requirements for outstanding debt of the water system.

D) SURPLUS MONEYS

Out of the remaining gross revenues there shall be next set aside a sum sufficient to build up a reserve for improvement and betterment of, and extensions to, the existing water system other than those necessary to maintain the same in good repair and working order as herein before provided for.

Any surplus revenues thereafter remaining shall be disposed of by the Township Board as it may determine from time to time to be for the best interest of the Grant Township Water System.

SECTION 13. TRANSFERS BETWEEN FUNDS.

- 13.1 In the event the moneys in the Grant Township Water Fund account are insufficient to provide for the current requirements of the operation and maintenance of the water system, any moneys and/or securities in the other funds of the water system shall be transferred to the Grant Township Water Fund account to the extent of any deficit therein.

SECTION 14. COVENANTS.

- 14.1 The Township Board will maintain the water system in good repair and working order and will operate the same efficiently and perform all duties with reference to the water system required by the Constitution and laws of the State of Michigan.
- 14.2 The Township Board will cause to be maintained and kept proper books of record and account separate from all other records and accounts of the Township in which shall be made full and correct entries of all transactions relating to the water system.
- 14.3 Not later than three (3) months after the close of any fiscal year the Township Board will cause to be prepared, a statement, in reasonable detail, showing the cash income and disbursements of the water system during each fiscal year, and such other information as is necessary to enable any taxpayer of the Township, or user of the water service furnished, to be fully informed as to all matters pertaining to the financial operation of the water system during each year. Such statement and books of record and account shall at all reasonable times be open to inspection by any taxpayer of the Township, user of the water service or anyone in their behalf.
- 14.4 The Township will also cause an audit of such books of record and account in accordance with the law.
- 14.5 The Township will maintain and carry insurance on all physical properties of the water system, of the kinds and in the amounts normally carried by public utility companies and municipalities engaged in the operation of similar systems.
- 14.6 The Township will insure that the operation of the water system is carried on as economically as possible, will insure that all repairs and replacements necessary to keep the water system in good repair and working order are accomplished as expeditiously as possible

SECTION 15. SEVERABILITY.

15.1 If any provision, section, sentence, and phrase of this Ordinance is declared invalid or unconstitutional by a Court of competent jurisdiction, such finding shall not affect or invalidate the remainder of this Ordinance.

SECTION 16. EFFECTIVE DATE.

16.1 This ordinance shall be published by insertion of the same in a newspaper having general circulation within Grant Township and shall take effect thirty (30) days after the date of publication. An affidavit setting forth the fact and manner of such publication shall be filed with and made a part of the record of the Township Clerk.

SECTION 17

17.1 All ordinances or parts of ordinances or regulations in conflict with this ordinance are hereby repealed.

This Ordinance has been PASSED and ADOPTED by the Township of Grant, on the 14th day of September, 1998.

Tom Beveridge
Tom Beveridge
Supervisor, Grant Township

Yeas: RT
CW
AC
TB
HW

Nays 0

Absent 0

(SEAL)

Attest:

Harlan W. Wieland
Harlan W. Wieland, Clerk
September 14, 1998

CERTIFICATION

I hereby certify that this is a true and accurate copy of the Ordinance adopted by the Township Board of the Township of Grant, Keweenaw County, at their meeting of September 14, 1998 .

I further certify that said meeting was held in compliance with P.A. 266 of 1976, being the Open Meetings Act.

TOWNSHIP OF GRANT



By: Harlan W. Wieland, Clerk
Dated 9/14, 1998

AFFIDAVIT OF PUBLICATION

In the matter of Ordinance # 98-01 Grant Township

STATE OF MICHIGAN

COUNTY OF HOUGHTON SS

Mary Jo Stimac

**TOWNSHIP RESIDENTS
ORDINANCE ADOPTION
TOWNSHIP ORDINANCE 98-01**

OF GRANT TOWNSHIP ORDINANCE 98-01, TO BE KNOWN AS THE WATER SERVICE CHARGES WILL BE AVAILABLE AT THE GRANT TOWNSHIP OFFICE UPON THE ADOPTION, SEGREGATION, AND DISPOSITION OF THE REVENUES OF THE GRANT TOWNSHIP BY LIEN ON SAID REVENUES OF THE TOWNSHIP OF GRANT, UNDER THE PROVISIONS OF SECTION 21, ACT 94 PUBLIC ACTS OF MICHIGAN 1933, AS AMENDED.

Words, terms, phrases, and abbreviations set out in SUBSECTION 1.1 THROUGH 1.4 of this ordinance shall have the applicability of the verbs "shall", "may", and "will".

This ordinance as it pertains to operation, management and repairs to the system shall be the ultimate governing body of the water system.

This ordinance to recover all the costs and charges of operating and maintaining the water system, operating and maintenance (O&M) costs, and debt service charges of the water system.

Provides that these charges are to be levied on all properties that were capable of receiving water service.

Board to review and determine the unit cost of water based on the number of users and to pass a resolution setting the charges for the period.

Costs set out in the rate resolution; allows the Township Board to determine the charges for water service charges.

To provide an annual financial review of the system addressing the need to reduce operating costs, administrative costs, and to maintain an equipment replacement program for the fire hydrant rental and water used through the fire hydrants; sets the charges for these services.

of \$25.00 for turn-off and a separate charge of \$25.00 for turn-on. Requires a surcharge for a service when requested at other than regular business hours.

Township board to establish a separate rate schedule for miscellaneous services; necessary to reflect current costs associated with such charges.

all customers. Establishes the "due" date for payment of bills.

to be assessed to any water bill paid by a check that is returned for insufficient funds.

Month in which billed, as the date considered delinquent. Determines the date that a person may continue services to accounts not paid by the final date specified; Authorizes a person to delinquent accounts. Provides an additional charge to accounts remaining delinquent.

APPLY.

Procedure for obtaining new service when there is an existing main adjacent to the property; Township Board to determine the location of service. Declares payment made.

The conditions and procedures required to obtain new service when there is no existing main; approval of the design, materials, method of construction; sets the remedy for non-compliance with this Section.

Location of the service line to the house from the property line, and for well service (Refer to Ordinance 98-02).

within sixty (60) days of the completion of service installation; provides penalty for non-compliance to comply. (Refer to Operation Ordinance 98-02).

Requirement for continuation of service when property changes ownership; sets the conditions for service to be made.

By individual, firm, or corporation, public or private or to any public agency or organization.

Under the provisions of Section 21, Act 94 Public Acts of Michigan 1933, as amended, to certify the delinquency to the tax rolls.

To, at least annually, pass a Resolution specifying the rates for water service and to determine the rates and charges for the period; provides for periodic audits sufficient to maintain and operate the system as required.

Each 31st of each year.

The water system to be set aside from other income and deposited in a duly designated separate account to be designated GRANT TOWNSHIP WATER FUND, and the following accounts:

being first duly sworn, says that he/she is the agent of the Publisher of The Daily Mining Gazette, a newspaper published in the English language for the dissemination of local or transmitted news and intelligence of a general character and legal news, which is a duly qualified newspaper, and that annexed hereto is a copy of a certain order taken from said newspaper in which the order was published on the following dates:

September 19, 1998

Mary Jo Stimac
Agent of the Publisher of The Daily Mining Gazette

Subscribed and sworn before me this 22nd

day of September A.D., 19 98

Catherine O'Connell Ricci
Notary Public, Houghton County, Michigan

CATHERINE O'CONNELL RICCI
Notary Public, Houghton County, MI
My Commission Expires Aug. 10, 2002