

ANN ARBOR CHARTER TOWNSHIP

SANITARY SEWER SYSTEM USE, RATE AND FEE ORDINANCE

PART 80

An ordinance providing for rates and fees for the use and services of the Ann Arbor Charter Township sanitary sewer system, for regulation of the use of the Sanitary Sewer System and for enforcement of such provisions.

The Board of Trustees of the Charter Township of Ann Arbor ordains:

Section 1. Purposes. It is hereby determined to be desirable and necessary for the public health, safety and welfare of the residents of the Charter Township of Ann Arbor, Washtenaw County, Michigan, that the Township's Sanitary Sewer System be operated by the Township on a public utility rate basis in accordance with the provisions of Act 94, Public Acts of Michigan, as amended (the "Revenue Bond Act of 1933"), being MCL 141.101 et seq.

Section 2. Definitions.

- (1) "Connection Fee" is a fee for a New Connection to the Township Sanitary Sewer System.
- (2) "Department" is the Township Utilities Department or any person or agent designated by the Township Board to perform any of the duties or responsibilities to the Department under this Ordinance.
- (3) "New Connection" is any Connection of a Parcel or Premises to the System or the installation of an additional or larger Connection of a Parcel or Premises to the System to the full extent of such addition or increased size over the Connection previously installed.
- (4) "Parcel" or "Premises" is each unit, lot or parcel of land, building, portion of a building, or premises having any Connection to the Sanitary Sewer System.
- (5) "Person" is any individual, firm, association, entity, corporation, or public agency or instrumentality.
- (6) "System" or "Sanitary Sewer System" is the complete sanitary sewer system of the Township, including pipes, channels, conduits, manholes, pumping stations, sewage or waste treatment works, diversion and regulatory devices, outfall structures and appurtenances used or intended for use in collecting, conveying, transporting, treating or otherwise handling sanitary sewage or other industrial liquid wastes that are capable of adversely affecting the public health. The System

includes the Township Sanitary Sewer Mains and Sanitary Sewer Connections, but does not include Sanitary Sewer Leads.

- (7) “Sanitary Sewer Connection” or “Connection” means that part of the System connecting the Sanitary Sewer Lead serving an individual Parcel or Premises to the Sanitary Sewer Main.
- (8) “Sanitary Sewer Lead” is the sanitary sewer piping and appurtenances serving an individual Parcel or Premises from, but not including, the Sanitary Sewer Connection to the individual Parcel or Premises.
- (9) “Sanitary Sewer Main” is that part of the System designated to supply more than one Sanitary Sewer Connection and generally located within easements or road rights-of-way, but not including the Sanitary Sewer Lead.
- (10) “Sanitary Sewer Rates” or “Rates” is a commodity charge to a Parcel or Premises for sanitary sewage disposal by the System.
- (11) “Sanitary Sewer Service” is the sanitary sewage disposal service provided to a Parcel or Premises by the System.

Section 3. Operating Year. The System shall be operated on a January 1 through December 31 (calendar year) basis.

Section 4. Rates and Fees.

4.1. Sanitary Sewer Rates. Sanitary Sewer Rates shall be established by resolution of the Township Board and, except as otherwise provided in Section 4.4 below, shall be based on each 100 cubic feet of Water Service (as defined in Part 82) during a quarterly period, considering the following factors:

- (a) Rate; City Charges. City of Ann Arbor rate charges for Sanitary Sewer Service to the Township as set forth in the Code of the City of Ann Arbor, the City of Ann Arbor-Ann Arbor Charter Township Wastewater Treatment, Capacity and Services Agreement (“City-Township Wastewater Agreement”), and any applicable Outside Service Agreement, as they may be amended from time to time.
- (b) Operating Costs. A proportionate share of the Township’s current cost of operating the System based on System operating costs for the prior year.
- (c) Wear and Tear Expense. A proportionate share of the annual use (wear and tear) of the System assets based on the original value and the useful life of the System assets. This component is

determined by dividing the System depreciation expense (as a measure of wear and tear) by the total cubic feet of Sanitary Sewer Service.

4.2. Connection Fees. A Connection Fee shall be charged for every New Connection to the System and shall vary based on the size of the New Connection. Each Connection size shall be assigned a residential equivalent user number based on engineering standards. Connection Fees shall be established by resolution of the Township Board considering the following factors:

- (a) City Charges. City of Ann Arbor sanitary sewer connection charges to the Township as set forth in the Code of the City of Ann Arbor, the City-Township Wastewater Agreement, the Ann Arbor City-Township Sewer Joint Use Agreement and any applicable Outside Service Agreement, as they may be amended from time to time.
- (b) Equity Buy-In Component. An equitable portion of the present book value of the common assets of the System. The Equity Buy-in Component for each New Connection is computed by dividing the present value of the System by the number of residential equivalent users.

There will be two separate Groups for the Equity Buy-In Component:

- (1) Group 1. Group 1 includes Parcels or Premises that were part of the original Township sanitary sewer special assessment district (“SAD”) and Parcels or Premises that paid a benefit fee prior to the November 21, 2005 Township Board resolution establishing Connection Fees. Group 1 Parcel or Premises owners have already paid the SAD portion of the Equity Buy-In Component, and therefore will only pay an Equity Buy-In Component for the additions to the System since the SAD.
 - (2) Group 2. Group 2 includes all Parcels or Premises not in Group 1. Group 2 Parcel or Premises owners will pay an Equity Buy-In Component based on the present value of the entire System.
- (c) Material Costs. The actual cost of accessories, radio units, and costs associated with turn on and turn off of such equipment.
 - (d) Inspection/Installation Charge. The costs of Township installation and inspection of the New Connection and appurtenances.

(e) Connection Size. The required size of each New Connection shall be determined by the Department based on Equivalent Residential Units considering the proposed use of the Parcel or Premises and applicable engineering standards.

4.3. Installation of New Connections. The New Connection shall be installed by the Department upon payment of the required Connection Fee.

4.4. Irrigation Meters; Charges for Parcels or Premises Without Water Service. Users of the Township public water supply system will be permitted to install separate irrigation water meters in order to adjust sanitary sewer rates for water used in irrigation and not returned to the Sanitary Sewer System in accordance with the Township Water Supply System Use Ordinance. Where Sanitary Sewer Service is provided to a single family residential Parcel or Premises that is not served by the Township public water supply system (as defined in Part 82), the Sanitary Sewer Rate for such Parcel or Premises shall be based on the estimate of average gallons of water flow per day for a single family residence using engineering standards.

Section 5. Billing. Sanitary Sewer Rates shall be billed to each Parcel or Premises at least quarterly during each operating year and shall represent charges for the period immediately preceding the date of the bill. The bills shall be due and payable within 30 days from their date. All bills not paid when due shall be deemed delinquent, and a penalty of ten percent (10%) of the amount of the bill shall be added and become due as a part of the bill. Connection Fees shall be billed and are payable at the time a building permit for the New Connection is issued by the Township. The Township may send a combined bill for Sanitary Sewer Rates and Water Rates (as defined in Part 82), and funds received by the Township in payment of such combined billing shall be applied first to Sewer Rates and then to Water Rates.

Section 6. No Free Sanitary Sewer Service. No free Sanitary Sewer Service shall be furnished by the Township to any person, firm, entity, public or private corporation, or public agency or instrumentality.

Section 7. Outside Service. The rates for Sanitary Sewer Service to a Parcel or Premises outside the unincorporated areas of the Township shall be specified by resolution of the Township Board. The Township shall not provide Sanitary Sewer Service outside of the unincorporated areas of the Township except under a written agreement approved by the Township Board (“Outside Service Agreement”).

Section 8. Connection Fees; Rates; Review and Revision. Connection Fees and Rates shall be determined each year by resolution of the Township Board. The Township Board shall make such rules, orders and regulations as it deems advisable and necessary to assure the efficient management of the System and shall make such adjustment to the Rates and Connection Fees each year as shall appear proper under the circumstances.

Section 9. Collection; Liens. The Department is authorized to enforce the payment of Rates and Connection Fees for Sanitary Sewer Services by discontinuing the Sanitary Sewer Service to a Parcel or Premises delinquent in payment of such Rates or Connection Fees in the manner and upon such notice as determined by the Township Board. In addition, the Township may institute a civil action against the delinquent Sanitary Sewer Service user to recover unpaid charges. When the Sanitary Sewer Service to any Parcel or Premises is discontinued to enforce the payment of Sanitary Sewer Service charges, the Sanitary Sewer Service shall not be started again until all delinquent charges have been paid, including a turn-on charge, in such amount as shall be established by the Township Board.

The charges for Sanitary Sewer Service which, under the Revenue Bond Act of 1933, are made a lien on a Parcel or Premises to which it is furnished, are hereby recognized to constitute such lien. The Township Treasurer shall annually report to the Township Board all unpaid charges for Sanitary Sewer Service which have remained unpaid for a period of six months. The Township Board may then, after due notice to the owners of a delinquent Parcel or Premises, assess the amount so found to be due as a tax against such Parcel or Premises. The tax shall be certified to the Township Assessor, who shall place it on the next tax roll of the Township. The charges so assessed shall be collected in the same manner as general Township taxes. When the Township is properly notified in accordance with the Revenue Bond Act of 1933 (the notice to include a true copy of the lease, if there is one) that a tenant is responsible for Sanitary Sewer Service charges, Sanitary Sewer Service shall not be started or continued to such Parcel or Premises until there has been deposited with the Department of a sum sufficient to cover twice the average quarterly bill for such Parcel or Premises, as estimated by the Department. A similar deposit may also be required by the Department in cases where the person applying for services has a delinquent utility account or has had services shut off in the last 180 days because of nonpayment at another location. Such deposits shall be applied against any delinquent Sanitary Sewer Service charges. If the deposit satisfies the delinquency, Sanitary Sewer Service shall not be discontinued. No deposit shall bear interest. Each deposit, or any remaining balance, shall be returned to the person making the deposit when Sanitary Sewer Service is discontinued or, except as to tenants as to whom notice of responsibility for such charges has been filed with the Township, when any eight successive quarterly bills have been paid with no delinquency.

Section 10. Revenues. The revenues of the System as collected shall be set aside in a separate Utility Fund and shall be accounted for in the manner required by State law.

Section 11. Turning on Sanitary Sewer Service. No person, other than a person authorized by the Department, shall turn any Sanitary Sewer Service on or off, except that a licensed plumber may turn on Sanitary Sewer Service for testing plumbing work (after which it must be immediately turned off) or upon receiving a written order from the Department.

Section 12. Additional Regulations. The Department may make additional rules and regulations concerning the System, not inconsistent with this ordinance. Such rules and regulations shall be effective upon approval by the Township Board.

Section 13. Injury to Facilities. No person shall break, damage, destroy, uncover, deface or tamper with any structure, appurtenance or equipment which is part of the System.

Section 14. Discontinuing Sanitary Sewer Service. The Department may discontinue Sanitary Sewer Service to any Parcel or Premises where there is evidence that a connection exists in violation of this ordinance. Any discontinuance of Service shall be in the manner and upon such notice as determined by resolution of the Township Board. Failure to permit inspection of the piping system on the Parcel or Premises or to supply pertinent information requested by the Department shall be evidence of a connection in violation of this ordinance.

Section 15. Separation of Sanitary Sewer System from Storm Sewer System. The Sanitary Sewer System shall be separated from any storm sewer system serving the Parcel or Premises.

Section 16. Plumbing Standards. All plumbing fixtures and other appurtenances related to the Sanitary Sewer System installed in improvements constructed after the effective date of this ordinance which are located in areas of the Township served by the System shall be installed in accordance with standards and regulations adopted by the Township. All fixtures installed in such construction shall be “water-saving” based on plumbing standards.

Section 17. City-Township Wastewater Agreement. Sanitary Sewer Service is provided in accordance with the City-Township Wastewater Agreement, as it may be amended from time to time. Terms, conditions, limitations and regulations of the City-Township Wastewater Agreement are incorporated into this Ordinance by reference.

Section 18. Sanctions for Violations. In addition to the remedies for violation set forth elsewhere in this Ordinance, a person or entity who violates any provision of this Ordinance is responsible for a municipal civil infraction as defined by Michigan law, and subject to a civil fine determined in accordance with the following schedule:

	<u>Minimum Fine</u>	<u>Maximum Fine</u>
First violation within a three year period*	\$ 30	\$ 500
Second violation within a three year period*	\$125	\$1,000
Third violation within a three year period*	\$250	\$2,500
Fourth or subsequent violation within a three year period*	\$400	\$5,000

In addition, a person or entity violating this Ordinance shall be responsible for payment of all direct and indirect costs and expenses which the Township incurs in connection with the violation, including reasonable attorneys’ fees in an amount allowed by law.

A person or entity violating this Ordinance shall also be subject to such additional sanctions, remedies and judicial orders as are authorized under Michigan law.

*Each day a violation of this Ordinance continues to exist constitutes a separate violation.

Section 19. Additional Sewer Use Regulation. Use of the System is subject to the additional regulations set forth in Part 81 of the Township Ordinances (“Supplemental Sewer Use”).

Section 20. Severability. If any provision of this ordinance is held invalid, the invalidity of such provision shall not affect any other provision of this ordinance.

Section 21. Conflicting Provision Repealed. All ordinance, resolutions or orders in conflict with the provisions of this ordinance are, to the extent of such conflict, repealed.

Adopted: March 19, 2007

Effective: March 27, 2007

Ordinance No.: **1-2007**