

ANN ARBOR CHARTER TOWNSHIP

WATER SUPPLY SYSTEM USE, RATE AND FEE ORDINANCE

PART 82

An ordinance providing for rates and fees for the use and services of the Ann Arbor Charter Township water distribution and supply system, for regulation of the use of the water distribution and supply 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 Water Supply 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 Water Supply System.
- (2) "Cross Connection" is a Connection or arrangement of piping or appurtenances through which water of questionable quality, or containing wastes or other contaminants can enter the Water Supply System or through which a backflow could occur.
- (3) "Curb Box" is an accessory attached to the Curb Stop providing access by the Department to the Curb Stop.
- (4) "Curb Stop" is the valve placed in the water piping serving an individual Parcel or Premises to allow Water Service to the Parcel or Premises to be turned on or off without interruption of other System users.
- (5) "Department" is the Township Utilities Department or a person or agent designated by the Township Board to perform any of the duties or responsibilities to the Department under this Ordinance.
- (6) "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.

- (7) “Parcel” or “Premises” is each unit, lot or parcel of land, building, portion of a building, or premises having any Connection to the Water Supply System.
- (8) “Person” is any individual, firm, association, entity, corporation, or public agency or instrumentality.
- (9) “System” and “Water Supply System” is the complete water distribution and supply system of the Township through which water is distributed and used or intended for use for drinking or household purposes, including but not limited to (i) piping; (ii) transmission or distribution mains; (iii) pumps; (iv) pumping stations; (v) storage tanks; (vi) controls; and (vii) associated appurtenances. The System includes the Township Water Mains, Water Service Stubs, and Water Connections, but does not include Water Leads.
- (10) “Water Connection” or “Connection” means that part of the System connecting the Water Service Stub to an individual Water Lead.
- (11) “Water Lead” is the water piping and appurtenances serving an individual Parcel or Premises from, but not including, the Water Connection to the individual Parcel or Premises.
- (12) “Water Main” is that part of the System designated to supply more than one Water Connection and generally located within easements or road rights-of-way, but not including the Water Service Stub.
- (13) “Water Rates” or “Rates” is a commodity charge to a Parcel or Premises for use of water supplied by the System.
- (14) “Water Service Stub” is the portion of the System consisting of water piping serving an individual Parcel or Premises from a Water Main to and including the Curb Box and Curb Stop.
- (15) “Water Service” is the water supplied to a Parcel or Premises from 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. Water Rates. Water Rates shall be established by resolution of the Township Board based on each 100 cubic feet of Water Service during a quarterly period, considering the following factors:

- (a) Rate; City Charges. City of Ann Arbor rate charges for water 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 Water Supply Agreement (“City-Township Water 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 Water 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 water connection charges to the Township as set forth in the Code of the City of Ann Arbor, the City-Township Water Agreement, the Ann Arbor City-Township Water 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 water 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) Meter and Material Costs. The actual cost of meters and 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, meter 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. Meter Installation. Water meters shall be sized according to the regulations of the Department to serve the Premises adequately. Meters shall be installed by and remain the property of the Township. Existing meters improperly sized according to the above regulations shall be replaced by the Department, and the charges for a New Connection shall be levied.

Section 5. Billing. Water 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 Water Rates and Sanitary Sewer Rates (as defined in Part 80), 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 Water Service. No free Water 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 Water 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 Water 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 Water Services by discontinuing the Water 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 Water Service user to recover unpaid charges. When the Water Service to any Parcel or Premises is turned off to enforce the payment of Water Service charges, the Water 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 Water 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 Water 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 Water Service charges, Water 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 Water Service charges. If the deposit satisfies the delinquency, Water 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 Water 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 Water Service. No person, other than a person authorized by the Department, shall turn any Water Service on or off, except that a licensed plumber may turn on Water Service for testing plumbing work (after which it must be immediately turned off) or upon receiving a written order from the Department.

Section 12. Water Meters. All Parcels or Premises using Water Service shall be metered. No person except a person authorized by the Department shall break or injure the seal or change the location of, or alter or interfere in any way with, any water meter or Connection.

Section 13. Access to Meters. The Department shall have the right to shut off the Water Service to any Parcel or Premises where the Department is not able to obtain access to the meter. Qualified persons authorized by the Department shall at all reasonable hours have the right to enter a Parcel or Premises for the purpose of reading, testing, removing or inspecting water

meters, and no person shall hinder, obstruct or interfere with any person authorized by the Department in the lawful discharge of duties.

Section 14. Reimbursement for Damage. Any damage to a meter resulting from carelessness of the owner, agent or tenant, or from neglect of any of them, to properly secure and protect the meter, as well as any damage which may result from frost, hot water or steam backing from a boiler, shall be paid to the Township by the owner of the property on presentation of a bill therefor.

Section 15. Meter Failure. If any meter shall fail to register properly, the Department shall estimate the consumption on the basis of former consumption and bill accordingly.

Section 16. Inaccurate Meters. A consumer may request that a meter be tested. If the meter is found defective, a new meter will be installed and no charge will be made for the installation.

Section 17. Hydrant Use. No person, except an authorized agent of the Township, shall open or use any fire hydrant except in the case of emergency, without first securing a written permit from the Department. In no case shall any hydrant be opened or closed except with a hydrant wrench provided by the Township.

Section 18. 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 19. Damage 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 20. Cross Connections Prohibited The water supply cross connection rules of the Michigan Department of Environmental Quality, Water Bureau, pursuant to the Michigan Safe Drinking Water Act, being R 325.11401 through R 325.11407 of the Michigan Administrative Code, are adopted by reference. No person shall violate such rules.

Section 21. Inspections. The Department shall cause inspections to be made of all Parcels or Premises served by the System where Cross Connections with the public Water Supply System may be possible. The frequency of inspections shall be established by the Department as approved by the Michigan Department of Environmental Quality, Water Bureau. It shall be the duty of the owner, tenants or occupants of any Parcel or Premises served by the System to furnish the Department any pertinent information regarding the piping system or systems on such Parcel or Premises.

Section 22. Discontinuing Water Service. The Department may discontinue Water 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 provide pertinent information requested by the Department shall be evidence of a connection in violation of this ordinance.

Section 23. Separation of Water Systems. The System shall be protected from possible contamination as specified by this ordinance and the standards and regulations of the Department. Any water outlet that could be used for potable or domestic purposes and which is not supplied by the System must be labeled in a conspicuous manner indicating “Water Unsafe for Drinking” unless such water outlet is from a drinking water well approved by the Washtenaw County Department of Environment and Infrastructure Services, Health Division.

Section 24. Lawn Sprinklings; Irrigation Lines. Water supplied by the System shall be used for lawn sprinkling only in areas zoned R-1, R-2, R-3 and R-4 pursuant to the Ann Arbor Charter Township Zoning Ordinance. In the event the City of Ann Arbor declares a water use restriction, users of the Township System shall comply with the restriction in the same manner as users of the City System. As set forth in Part 80 of the Township Ordinances, the Owner of a Parcel or Premises shall be permitted to install a separately metered irrigation line in accordance with standards and specifications adopted by the Department upon payment of the required Connection Fee to adjust sanitary sewer rates for water used in irrigation and not returned to the Township sanitary sewer system.

Section 25. Fire Lines. Separate fire suppression water lines and fire hydrant systems for purposes of proper fire protection shall be installed to serve each Parcel or Premises other than a single family residence in accordance with applicable provisions of the Township Fire Code and standards and specifications adopted by the Ann Arbor Charter Township Fire Department and the Township Utilities Department. Fees for connection of fire lines shall be established by the Township Board and shall include any required City of Ann Arbor connection charges, charges for any meter and material costs, and charges for Township installation and inspection.

Section 26. Cooling-Water Systems. Water supplied by the System shall not be used in cooling-water systems of any kind.

Section 27. Plumbing Standards. All plumbing fixtures and other appurtenances related to water supply 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 28. City-Township Water Agreement. Water Service to the Township is supplied in accordance with the City-Township Water Agreement, as it may be amended from time to time. The conditions, limitations and regulations of the City-Township Water Agreement are incorporated into this Ordinance by reference.

Section 29. Sanctions for Violations. In addition to the remedies for violations 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 30. 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 31. 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.: **3-2007**