

East Bay Charter Township

4

Charter Township of East Bay
Ordinance No. 107 – Sewer

Amendment No. 15

That Ordinance No. 107 an Ordinance to provide for the Operations and Maintenance of Grand Traverse County Sewage Disposal System No. 3 (East Bay Township) on a Public Utility bases under the Provisions of Act 94, Public Acts of Michigan, 1933, as amended

Section 4. Rates to be charged for service furnished by the System shall be as follows:

Sewer Use Charge

Effective February 1, 2009 sewer use charges to each single-family residential premises served by the System shall be in the flat amount of \$21.50 per month with an annual January 1st increase of 3.5% thereafter. Each premises other than a single-family residence shall pay a monthly charge in the foregoing amount multiplied by a factor representing a ratio of sewage use by such class of premises to normal single-family residential sewage use, as set out in Table 1 of Section 16 of this ordinance; provided, however, that the minimum monthly charge to any premises shall be \$21.50. At the option of the Township Board either water or sewage flow metering devices may be installed on premises determined by said Board to be large volume users. If such a device or devices are installed, the cost of such installation shall be borne by the user, and the sewer use charge shall be based upon flowage shown by such device, at the rate of \$2.70 per 1,000 gallons with an annual January 1st increase of 3.5% thereafter.

Charter Township of East Bay

AMENDMENT TO ORDINANCE NO. 107

Amendment No. 2007-23
Sewer Operation and Maintenance Ordinance

AN AMENDMENT TO ORDINANCE TO PROVIDE FOR THE OPERATION AND MAINTENANCE OF GRAND TRAVERSE COUNTY SEWAGE DISPOSAL DISTRICT NO. 3 (EAST BAY TOWNSHIP) ON A PUBLIC UTILITY BASIS UNDER THE PROVISIONS OF ACT 94, PUBLIC ACTS OF MICHIGAN, 1933, AS AMENDED

WHEREAS the Township has heretofore adopted an ordinance entitled: "An Ordinance to Provide for the Operation and Maintenance of Grand Traverse County Sewage Disposal District No. 3 (East Bay Township) on a Public Utility Basis Under the Provisions of Act 94, Public Acts of Michigan, 1933, as amended." (herein the Ordinance) and,

WHEREAS said Ordinance provides for the payment in full of sewage disposal benefit charges at the time a permit is issued, according to a "Schedule of Residential Equivalents" as attached to the Ordinance, and

WHEREAS the Township finds that in order to protect the health, safety and welfare of the Township and to encourage the use of suitable sewage treatment facilities within commercial and industrial development where authorized by the Township, it is necessary and convenient to grant authority to the Township Board of the Township to defer a portion of the payment of benefit charges where payment in full represents a heavy economic burden unduly restricting appropriate economic development and the use of suitable sewage treatment facilities,

WHEREFORE

The Charter Township of East Bay ordains:

Ordinance No. 107 entitled "An Ordinance to Provide for the Operation and Maintenance of Grand Traverse County Sewage Disposal District No. 3 (East Bay Township) on a Public Utility Basis Under the Provisions of Act 94, Public Acts of Michigan, 1933, as amended." is hereby amended to add thereto Section 4B which shall read, in its entirety, as follows:

“Section 4B Deferral of Benefit Charges

(a) Charges Eligible

Where the benefit charges imposed under Section 4 for a single permit exceed five (5) residential equivalents, the Township Board may, upon written application by the property owner made before of the benefit charges or issuance of the permit, defer payment under the terms and conditions set forth herein if the Township Board determines, in its sole discretion, that deferral will adequately protect the financial position of the Township and is in the public interest. The Applicant shall, at the time of application and at all times thereafter, with respect to the premises to be served by the sewer connection, be in compliance with all applicable Ordinances of the Township.

(b) Deferral

The deferral shall be made pursuant to a written Application executed by or on behalf of owner of the premises for which a sewer permit is requested. If approved by the Township Board, the sewer permit requested shall issue upon the condition, which shall be noted on the permit, that payment has been deferred by Township Board. The Township may require such evidence of ownership of the real estate and the authority of the signers to bind the owner as is shall deem necessary. Execution and delivery of the Application shall represent the agreement of the owner to the terms of the deferral described herein and as approved by the Township Board.

(c) Down Payment

The deferral of payment shall require the payment of twenty percent (20%) of the amount of benefit charges imposed with respect to the permit at the time of issuance of the permit.

(d) Payment of Installments

The balance of the benefit charges shall be paid over four years in equal installments of principal with interest as provided in the Agreement. The payment interval shall be the same interval employed by the Township for regular sewer charges and, if the Township elects, the deferral payments may be set forth on the same bill as regular sewer charges and shall be due the same day. If a special billing is used, the special bill shall be due thirty (30) days from date of billing. The first payment shall incorporate interest on the unpaid balance between the date of execution of the Agreement and the first billing of regular sewer charges, and may be irregular in amount. The first such payment shall be due on the earlier of the first regular sewer billing date following issuance of the permit or one year from the date of issuance. The remainder of the payments shall be uniform and sufficient to amortize the balance including interest during the term of the deferral.

(e) Interest

The balance of deferred payments shall accrue interest at the rate of Seven Percent (7%) per annum beginning on the date of execution and delivery of the Deferral Agreement. All payments of the deferred amount shall be applied first to interest and then to principal.

(f) Prepayment

Prepayment of the balance due following full payment of interest charges may be made with any regular payment, but the amount of regular installments will not be changed until final payment.

(g) Enforcement

The deferred benefit charges are under the provisions of Section 21, Act 94, Public Acts of Michigan, 1933, as amended, and are a lien on all premises with respect to which the permit was issued. In the event any installment of principal or interest on the deferred amount is due and unpaid at the time the next succeeding bill for regular charges is rendered, the entire balance of principal and interest remaining unpaid shall become immediately due and payable without further action or notice by any party and shall be billed as a regular charge, and if it remains unpaid shall be collected in the same manner as general Township taxes as provided in Section 4. Any expenses incurred by the Township in the collection of past due deferred charges may be billed and shall be paid as additional regular charges.

(h) Early Termination

In the event that, subsequent to approval of the deferral, the premises to be served or being served by the sewer connection shall cease to comply with applicable Ordinances of the Township, including but not limited to this Ordinance, the Sewer Use Ordinance, the Sewer Construction Ordinance, the Water Use Ordinance, the Township Zoning Ordinance, or the Township Land Division Ordinance, the Township may give written notice to the owner to cure the non-compliance and, if thirty (30) days after mailing of notice to cure to the property address used for billing, the owner or person in control of the premises shall fail to cure the non-compliance, the Township Board may terminate this deferral without further notice. Provided, however, that the owner or person in control of the premises shall have the right to a hearing before the Township Board or officer designated by the Township board if a written request therefor is made before expiration of the thirty-day cure period.”

(i) Township Expenses

All expenses of the Township incurred in connection with the Application or deferral including fees of counsel, and out-of-pocket fees for abstracts, UCC searches, certificates, recording, and the like shall be billed to and paid by the owner of the premises within thirty (30) days of billing therefor. Submission of an Application for a deferral shall be deemed the owner's undertaking to pay the expenses described in this paragraph.

This Amendment shall take effect thirty (30) days following publication in the Traverse City Record Eagle.

CERTIFICATION

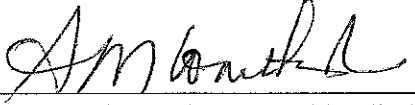
The undersigned, being the duly qualified Clerk of the Charter Township of East Bay hereby certifies that (1) the foregoing is a true and complete copy of an Amendment to Ordinance duly adopted by the Board of Trustees at a regular/special meeting held on October 8, 2007 at which meeting a quorum was present and remained throughout, (2) that an original of said Amendment to Ordinance is on file in the records of the township (3) the meeting was conducted and public notice there was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), (4) minutes of such meetings were kept and will be made available as required by law, and, (5) the Amendment to Ordinance was initially presented to the Township Board at a regular/special meeting held on October 8, 2007 following publication as required by law.

The names of the Township Board members voting and their votes were as follows:

Ayes: Strait, Bartlett, Friend, McAllister, Courtade, Lile

Nays: None

Absent: None



Susanne Courtade, Township Clerk
Date of Certification: 10-8-07

Drafted by:
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EAST BAY TOWNSHIP
SUMMARY OF OPTIONS TO CONSIDER FOR SEWER INCREASES:

Examples are starting with increase of \$21.50 as of 1/1/09 and increasing 3.5% and 5%
 Net and Fund Balance examples include depreciation expense of \$280,855 annually

	NET No Change \$17.50	Net with Increase \$21.50 and inc 3.5% yrly	Net with Increase \$21.50 and inc 5% yrly	Difference 3.5% and 5%	Net with increase \$21.50, inc 3.5% used DPW Budget	Net with increase \$21.50, inc 5% used DPW Budget	Difference 3.5% and 5%
2009 \$	(319,702)	(188,854)	(188,854)	\$ -	(366,148)	(366,148)	\$ -
2010 \$	(274,949)	(147,554)	(138,683)	\$ 10,871	(331,053)	(320,182)	\$ 10,871
2011 \$	(260,320)	(100,500)	(76,863)	\$ 23,638	(290,422)	(266,785)	\$ 23,638
2012 \$	(181,630)	232	38,019	\$ 37,787	(196,337)	(158,550)	\$ 37,787
2013 \$	(172,258)	54,281	107,875	\$ 53,594	(149,168)	(95,574)	\$ 53,594
2014 \$	(148,573)	113,643	185,153	\$ 71,510	(98,927)	(25,417)	\$ 71,510
2015 \$	(141,009)	162,031	252,937	\$ 90,906	(55,909)	34,998	\$ 90,906
TOTAL \$	(1,509,441)	(106,721)	181,585	\$ 288,307	(1,485,964)	(1,197,657)	\$ 288,307
	Operating Cash Bal No Change	Operating Cash with Increase \$21.50 and inc 3.5% yrly	Operating Cash with Increase \$21.50 and inc 5% yrly	Difference 3.5% and 5%	Operating Cash with Increase \$21.50, inc 3.5% used DPW Budget	Operating Cash with Increase \$21.50, inc 5% used DPW Budget	Difference 3.5% and 5%
2009 \$	(145,453)	(14,805)	(27,344)	\$ (12,740)	(204,638)	(204,638)	\$ -
2010 \$	(139,547)	118,696	116,828	\$ (1,869)	(254,837)	(243,966)	\$ 10,871
2011 \$	(119,012)	1,128,513	320,820	\$ (807,693)	(264,404)	(229,895)	\$ 34,509
2012 \$	(29,787)	1,208,513	639,694	\$ (568,819)	(179,886)	(107,590)	\$ 72,296
2013 \$	78,810	1,298,513	1,028,424	\$ (270,089)	(48,198)	77,691	\$ 125,890
2014 \$	210,092	1,398,513	1,494,432	\$ 95,919	135,730	333,130	\$ 197,400
2015 \$	349,938	1,508,513	2,028,225	\$ 519,712	360,676	648,982	\$ 288,307
TOTAL \$	205,042	6,646,657	5,801,079	\$ (1,045,577)	(455,557)	273,715	\$ 729,272
	Fund Bal No Change	Fund Bal with Inc \$21.50 and inc 3.5% yrly	Fund bal with inc \$21.50 and inc 5% yrly	Difference 3.5% and 5%	Fund Bal with inc \$21.50, inc 3.5% used DPW Budget	Fund Bal with inc \$21.50, inc 5% used DPW Budget	Difference 3.5% and 5%
2009 \$	9,283,680	9,414,528	9,414,528	\$ -	9,237,234	9,237,234	\$ -
2010 \$	9,008,731	9,266,974	9,277,945	\$ 10,871	8,908,181	8,917,052	\$ 10,871
2011 \$	8,748,411	9,166,474	9,200,982	\$ 34,509	8,615,759	8,650,267	\$ 34,509
2012 \$	8,556,781	9,166,706	9,239,002	\$ 72,296	8,419,422	8,491,718	\$ 72,296
2013 \$	8,384,523	9,220,987	9,346,877	\$ 125,890	8,270,254	8,396,144	\$ 125,890
2014 \$	8,234,950	9,334,630	9,532,030	\$ 197,400	8,173,327	8,370,727	\$ 197,400
2015 \$	8,093,941	9,496,661	9,784,967	\$ 288,307	8,117,418	8,405,725	\$ 288,307
TOTAL \$	60,311,017	65,066,959	65,796,232	\$ 729,272	59,739,595	60,468,867	\$ 729,272

NOTE: Cash balance as of 10/31/08 is \$1,141,907.21, of this \$998,513 is money set aside for Hoch Road and \$250,000 is money set aside for reserve. THE CASH FIGURES ABOVE DO NOT INCLUDE THESE MONIES SET ASIDE.

**Table 3 - Sewer
BASE RATE INFORMATION**

Community	Monthly Ready to Serve Charge	Ready to Serve Included Use (gal.)	Usage Charge per 1000 gal.	Approx. No. of Customers	Outstanding Debt	Notes
Alpena, City	\$8.62	2,000	\$3.65	4,738	Yes	1,5
Acme Township (Grand Traverse Co.)	\$25.00	0	\$0.00	975	Yes	1, 3, 4
Alanson, Village	\$36.00	0	\$0.00	343	Yes	4
Alpena Township (Alpena Co.)	\$11.99	2,333	\$5.14	2,550	Yes	1
Ausable Township (Iosco Co.)	\$14.70	3,000	\$2.70	232	No	
Baldwin Township (Iosco Co.)	\$41.85	0	\$3.45	82	Yes	3
Baldwin, Village	\$29.61	5,600	\$5.40	305	Yes	
Bear Creek Township	\$40.00	0	\$5.20	920	Yes	1,3
Bellaire, Village	\$9.03	0	\$3.53	661	Yes	3, 5, 6
Beulah, Village	\$13.67	0	\$3.50	413	Yes	1
Blair Township (Grand Traverse Co.)	\$25.67	0	\$4.00	12	Yes	1
Boyer City, City	\$9.24	0	\$4.00	1,750	Yes	1, 3, 6
Cadillac, City	\$8.35	0	\$2.58	3,800	Yes	2, 3, 6
Central Lake, Village	\$8.00	0	\$0.00	165	No	1,3, 4
Charlevoix, City	\$15.89	2,000	\$3.54	1,698	No	3, 5, 6
Chatham, Village	\$24.50	0	\$0.00	66	Yes	3, 4
Cheboygan, City	\$0.00	0	\$5.20	1,794	Yes	1
Clare, City	\$21.22	0	\$4.52	1,219	Yes	3
Clark Twp. (Mackinac Co.)	\$15.33	0	\$0.00	847	Yes	1, 3, 4
Denton Township (Roscommon Co.)	\$22.00	0	\$0.00	4,130	Yes	1, 3, 4
Detour, Village	\$20.35	0	\$0.00	290	Yes	3, 4
East Bay Township (Grand Traverse Co.)	\$13.50	0	\$0.00	1,033	Yes	1, 3, 4
East Jordan, City	\$6.67	0	\$4.82	833	Yes	1, 2, 6
East Tawas, City	\$10.00	0	\$2.20	1,535	Yes	
Elberta, Village	\$28.50	0	\$3.75	270	Yes	3, 5
Elk Rapids, Village	\$12.00	0	\$2.69	900		5
Elmwood Township (Leelanau Co.)	\$28.00	0	\$0.00	939	Yes	3, 4
Escanaba, City	\$4.31	0	\$1.82	5,500	Yes	3
Ewart, City	\$7.66	3,000	\$2.86	546	Yes	1, 3
Farwell, Village	\$20.00	1,000	\$2.20	400	Yes	
Fife Lake Utilities Authority	\$26.00	0	\$0.00	500	Yes	4
Frankfort, City	\$18.00	0	\$3.00	872	Yes	3
Garfield Township (Grand Traverse Co.)	\$19.00	0	\$0.00	3,119	Yes	3, 4
Gaylord, City	\$10.21	0	\$3.14	1,800	Yes	2, 3
Grayling, City	\$7.45	0	\$3.75	800	Yes	1, 6
Harbor Springs, City	\$23.05	0	\$3.35	998	Yes	3
Haring Township (Wexford Co. DPW)	\$16.00	0	\$0.00	1,100	Yes	1, 3, 4
Harrisville, City	\$22.00	3,333	\$0.80	330	Yes	1, 3
Hillman, Village	\$14.25	3,333	\$1.75	295	Yes	3, 6
The Homestead (Leelanau Co.)	\$20.49	0	\$14.02			5
Honor, Village	\$40.50	0	\$0.00			
Houghton Lake Sewer Authority (Roscommon Co.)						
Denton Twp.	\$22.00	0	\$0.00	4,130	Yes	1, 3, 4
Lake Twp.	\$22.00	0	\$0.00	1,578	Yes	1, 3, 4
Markey Township	\$22.00	0	\$0.00	1,185	Yes	1, 3, 4
Roscommon Twp.	\$22.00	0	\$0.00	1,901	Yes	1, 3, 4
Kalkaska, Village	\$23.50	0	\$1.70	951	Yes	3
Kingsley, Village	\$30.25	0	\$0.00	681	Yes	1
Lake City, City	\$13.00	0	\$0.00	1,050	Yes	1, 3, 4, 6
Lake Township (Roscommon Co.)	\$22.00	0	\$0.00	1,578	Yes	1, 3, 4



**Table 3 - Sewer
BASE RATE INFORMATION**
(Continued)

Community	Monthly Ready to Serve Charge	Ready to Serve Included Use (gal.)	Usage Charge per 1000 gal.	Approx. No. of Customers	Outstanding Debt	Notes
Littlefield Township (Emmet Co.)	\$16.15	0	\$0.00	400	Yes	1, 4
Little Traverse Township (Emmet Co.)	\$36.67	0	\$0.00	940	Yes	1, 4
Ludington, City	\$2.67	0	\$1.74	4,232	Yes	1, 2, 3
Mackinac Island, City	\$15.75	0	\$6.33	550	Yes	3
Mackinaw City, Village	\$12.21	2,667	\$4.58	600	Yes	1, 3, 5, 6
Manistee, City	\$6.60	0	\$4.50	3,900	Yes	3, 6
Manistique, City	\$11.25	0	\$7.57	1,600	Yes	3
Manton, City	\$16.67	0	\$3.10	500	No	1, 3
Marion, Village	\$7.83	3,333	\$2.76	450		1, 5, 6
Markey Township (Roscommon Twp.)	\$22.00	0	\$0.00	1,185		1, 3, 4
Mesick, Village (Wexford Co. DPW)	\$16.00	0	\$0.00	176	Yes	1
Moran Township (Mackinac Co.)	\$27.47	0	\$3.81	7	Yes	3
Munising, City	\$2.18	0	\$8.17	1,116	Yes	3, 6
Newberry, Village	\$8.47	0	\$4.30	1,563	Yes	6
Ogemaw Township (Ogemaw Co.)	\$20.00	3,333	\$6.00	50	No	1
Onaway, City	\$40.00	5,000	\$8.00	475	Yes	
Peninsula Township (Grand Traverse Co.)	\$21.00	0	\$0.00	483	Yes	1, 3, 4
Pere Marquette Township (Mason Co.)	\$8.00	0	\$3.07	194	Yes	1, 2, 3, 6
Petoskey, City	\$19.23	0	\$3.07	4,110	Yes	2, 3, 6
Reed City, City	\$2.00	0	\$4.42	925	Yes	3, 6
Rogers City, City	\$6.60	0	\$3.68	1,600	NA	2, 3
Roscommon Twp. (Roscommon Co.)	\$15.00	0	\$0.00	1,901	No	1, 3, 4
Roscommon, Village	\$14.98	0	\$3.52	482	Yes	1, 6
Rose City, City	\$15.00	0	\$0.00	294	No	1, 3, 4
Rudyard Township (Chippewa Co.)	\$22.02	0	\$0.00	300	Yes	1, 3, 4
St. Ignace, City	\$15.00	0	\$3.68	1,048	Yes	3, 6
Sault Ste. Marie, City	\$3.79	0	\$6.04	4,400	Yes	2, 5, 6
Scottville, City	\$18.67	0	\$5.00	513	Yes	3
Seney Township (Schoolcraft Co.)	\$35.00	-	-	111	Yes	
Superior Township (Chippewa Co.)	\$8.26	0	\$1.94	300	Yes	1, 3, 4
Suttons Bay, Village	\$47.75	0	\$6.63	308	Yes	1
Tawas City, City	\$21.24	0	\$2.10	950	Yes	3, 5, 6
Traverse City, City	\$25.00	4,488	\$2.50	6,496	No	2, 6
West Branch, City	\$15.50	3,333	\$4.65	600		1, 6
West Branch Township (Ogemaw Co.)	\$13.33	3,333	\$5.00	100	No	1
Whitewater Twp. (Grand Traverse Co.)	\$25.00	0	\$0.00	40	Yes	1, 4

Notes:

- 1 Community bills quarterly. Rates have been converted to monthly for comparison. See information in Appendix B for details.
- 2 Community bills in cubic feet. Rates have been converted to gallons.
- 3 Ready to Serve charge varies with water meter size, REU rating, and/or user classification. The indicated charge is for a single family household meter. See Appendix B for more details.
- 4 Unmetered system. Refer to Appendix B for details.
- 5 Usage charge varies with volume. Rates are listed for lowest usage rates. See Appendix B for additional information.
- 6 Customers outside community are charged different rates. See Appendix B.

