

RESOLUTION ESTABLISHING RATES, CHARGES, AND TERMS FOR SEWER SYSTEM ORDINANCE

WHEREAS, the TOWNSHIP OF CRYSTAL FALLS previously adopted Ordinance 100, being a Sewer System Ordinance;

NOW THEREFORE, BE IT RESOLVED, that the following rates, charges and terms for the Sewer System Ordinance shall become effective as of May 31, 2010.

1. BASIC CHARGE

Each residential and non-residential user shall pay a minimum monthly charge of \$43.87 per user. This basic charge is allocated as to the following categories:

- Debt Service
- Debt Reserve
- Basic Township Operation, Maintenance and Repair Expenses
- Basic City of Crystal Falls Operation, Maintenance and Repair Expenses

2. SUPPLEMENTAL MONTHLY CHARGE

Each residential and non-residential user shall pay a supplemental monthly charge of \$7.55 per 1,000 gallons, or portion thereof, in excess of the first 5,800 gallons of water use from the TOWNSHIP OF CRYSTAL FALLS in addition to the basic monthly charge.

3. CONNECTION/RECONNECTION CHARGE

The connection/reconnection charge of an existing sewer service shall be \$50.00, together with the prepayment of any required security deposit and any delinquent charges then due the TOWNSHIP OF CRYSTAL FALLS under the Sewer System Ordinance.

4. PERMIT AND INSPECTION CHARGE

A permit and inspection fee for each new and/or additional user service shall be charged as follows:

- \$30.00 for residential users
- \$50.00 for non-residential users

5. INSTALLATION CHARGE

The following installation charges shall be due in addition to the connection/reconnection charge:

- (a) Services and materials beyond the turn on of an existing township residential water shutoff shall be at the rate of \$40.00 per hour for each Township employee, \$70.00 per hour for backhoe/excavator charges and the cost of materials for all services/materials provided, together with a \$250.00 charge.
- (b) Services and materials beyond the turn on of an existing township non-residential water shutoff shall be at the rate of \$40.00 per hour for each Township employee, \$70.00 per hour for backhoe/excavator charges and the costs of materials for all necessary services/materials provided, together with a \$450.00 charge.
- (c) The TOWNSHIP OF CRYSTAL FALLS shall require a deposit from the consumer that equals the estimated cost of time, materials, and equipment to be paid to the TOWNSHIP OF CRYSTAL FALLS before any installation activities may occur.

6. SECURITY DEPOSIT

A Security Deposit equal to four (4) months of basic sewer charge or estimated four (4) months of sewer usage charge, whichever is greater, shall be required to be and remain on deposit with the TOWNSHIP OF CRYSTAL FALLS for all consumers, except if any one of the following circumstances apply:

- (a) A new consumer with a prior timely sewer payment history with the TOWNSHIP OF CRYSTAL FALLS for the most recent 12 consecutive month period with the TOWNSHIP OF CRYSTAL FALLS.
- (b) An existing consumer with a timely sewer payment history with the TOWNSHIP OF CRYSTAL FALLS for the last 12 consecutive month period with the TOWNSHIP OF CRYSTAL FALLS.
- (c) An existing consumer with an otherwise timely sewer payment history with the TOWNSHIP OF CRYSTAL FALLS for the last 12 consecutive month period with the TOWNSHIP OF CRYSTAL FALLS who pays in full the ten (10%) percent service charge by the 20th day of the following month.

For security deposit purposes, a sewer bill is considered due, and payment shall be considered timely if it is paid before the imposition of a ten (10%) percent service charge.

Any consumer who is required to have a security deposit shall be billed for such security deposit on the next monthly billing cycle, except for new service consumers and previously disconnected consumers, for which security deposits shall be immediately due and paid by the consumer to the TOWNSHIP OF CRYSTAL FALLS prior to the service being connected or reconnected.

The security deposit, less any outstanding Sewer System Ordinance payment obligations then due to the TOWNSHIP OF CRYSTAL FALLS, shall be returned to the former sewer consumer within 60 days after the former sewer consumer is no longer a sewer customer of the TOWNSHIP OF CRYSTAL FALLS. A security deposit shall be returned to an existing sewer customer by the TOWNSHIP OF CRYSTAL FALLS upon the written request of the existing sewer customer once a 24 consecutive month period of timely Sewer System Ordinance payment history with the TOWNSHIP OF CRYSTAL FALLS has occurred.

7. CASH DEPOSIT

If a cash deposit from a consumer is required by Section 705 of Ordinance 100, being the Sewer System Ordinance of the TOWNSHIP OF CRYSTAL FALLS, then the cash deposit shall be immediately due and paid by the consumer to the TOWNSHIP OF CRYSTAL FALLS prior to the service being provided, shall be equal to six (6) months of base sewer charge or estimated six (6) months of sewer usage, which is greater, and shall remain on deposit with the TOWNSHIP OF CRYSTAL FALLS. The cash deposit, less any outstanding Sewer System Ordinance payment obligations then owed to the TOWNSHIP OF CRYSTAL FALLS, shall be returned to the former sewer consumer within 60 days after the former sewer consumer is no longer a sewer customer of the TOWNSHIP OF CRYSTAL FALLS.

8. BILLING CYCLE

Sewer System Ordinance charges shall ordinarily be billed on a monthly basis for services provided. Payments shall be due without penalty if paid not later than the 20th day of the month of billing (if the 20th is not a business day of the TOWNSHIP OF CRYSTAL FALLS, then the due date shall be the next business day for the TOWNSHIP OF CRYSTAL FALLS after the 20th) and shall be delinquent (for other than security deposit purposes) if not paid in full by the last business day of the TOWNSHIP OF CRYSTAL FALLS for the same month.

9. PAYMENT LOCATION

All payments due under the Sewer System Ordinance shall be made to the TOWNSHIP OF CRYSTAL FALLS, and either delivered to the Clerk's Office at the Township Hall during a business day of the TOWNSHIP OF CRYSTAL FALLS, deposited in the payment box located on the exterior of the Township Hall or made payable to Crystal Falls Township and mailed to P.O. Box 329, Crystal Falls, Michigan 49920. The first business day of the TOWNSHIP OF CRYSTAL FALLS that the payment is received by the Clerk's Office shall be the date of payment.

10. LATE PAYMENT, PAYMENT ALLOCATION AND COLLECTION PROVISIONS

- (a) All Sewer System Ordinance charges that remain unpaid beyond the payment due date shall bear a one-time service charge of ten (10%) percent of the amount then due, and one (1%) percent per month service charge thereafter until paid in full. All payments received shall be applied as follows: first to security deposits, then to cash deposits, then to connection/reconnection charges, then to permit and inspection charges, then to installation charges, then to one-time ten (10%) percent service charges, then to one (1%) percent per month service charges, and then to actual sewer charges.
- (b) The TOWNSHIP OF CRYSTAL FALLS shall be entitled to collect from the consumer for the value of all reasonable costs, expenses and services incurred by the TOWNSHIP OF CRYSTAL FALLS in the enforcement of the terms of the Sewer System Ordinance. The costs, expenses and services to be collected from the consumer shall include, but are not limited to, the actual expenses for actions undertaken on behalf of the TOWNSHIP OF CRYSTAL FALLS and/or actual expenses for any actions undertaken on behalf of the TOWNSHIP OF CRYSTAL FALLS by any attorney engaged by the TOWNSHIP OF CRYSTAL FALLS.

In the event judicial action is utilized for the enforcement of the Sewer System Ordinance, the TOWNSHIP OF CRYSTAL FALLS shall be entitled to collect from the consumer the amount of all reasonable costs, expenses and services incurred, including, but not limited to, reasonable attorney fees incurred by the TOWNSHIP OF CRYSTAL FALLS.

The expenses of judicial action shall include, but are not limited to actions arising in whole or part from the enforcement of the Sewer System Ordinance, actions for judicial appeal arising in whole or part from the enforcement of the Sewer System Ordinance, collection actions arising supplemental to any judgment obtained in whole or part from the Sewer System Ordinance, and/or any actions in bankruptcy proceedings arising in whole or part from the enforcement of the Sewer System Ordinance. The provisions for judicial action are in addition to any specific provisions provided for by law or court rule.

11. NON-RESIDENTIAL USER INDUSTRIAL CONSUMPTION VARIANCE

The Township Board of the TOWNSHIP OF CRYSTAL FALLS may reduce the supplemental monthly charge to a non-residential user of the TOWNSHIP OF CRYSTAL FALLS Sewer System, by resolution, if the non-residential user establishes by clear and convincing evidence all of the following:

- a. Water is furnished by the TOWNSHIP OF CRYSTAL FALLS to allow the manufacture of an industrial product by the non-residential user;
- b. The industrial product produced is ordinarily delivered by the non-residential user to the consumer for the industrial product and is not thereafter deposited into the TOWNSHIP OF

CRYSTAL FALLS Sewer
System;

- c. The industrial product produced cannot lawfully be deposited into the TOWNSHIP OF CRYSTAL FALLS Sewer System; and

- d. The water furnished by the TOWNSHIP OF CRYSTAL FALLS to the non-residential user for the months of May through October exceeds by ten times the basic monthly charge.

12. INFLATION MULTIPLIER

The basic monthly charge and supplemental monthly charge shall, on April 1 of each year, be automatically adjusted upward two and one-half (2½%) percent or the rate of inflation, if greater, up to six (6%) percent. The rate of inflation shall be the Inflation Rate Multiplier reported to the township each year by the Michigan Department of Treasury - State Tax Commission, to be used in township property tax calculations, according to Michigan law.

13. MODIFICATION OF RESOLUTION

The provisions of this Resolution Updating and Establishing Rates, Charges and Terms for Sewer System Ordinance can only be modified by the Township Board of the TOWNSHIP OF CRYSTAL FALLS

The foregoing resolution was moved by Mary Dalpra and supported by Dian Kut.

Yeas: Dalpra, Takala, Kut, Seppala, Lesandrini

Nays: None

I hereby certify that the foregoing is a true and correct copy of the resolution adopted at a meeting of the Township Board of the Township of Crystal Falls held on May 11, 2010.

Adopted this 11th day of May, 2010 by the TOWNSHIP OF CRYSTAL FALLS.

Dated: May 11, 2010

Signed by Joanne Seppala, Crystal Falls Township Clerk