

ORDINANCE NO. 18

AN ORDINANCE TO PROVIDE FOR THE OPERATION AND MAINTENANCE OF PENINSULA TOWNSHIP SEWAGE SYSTEM ON A PUBLIC UTILITY BASIS UNDER THE PROVISIONS OF ACT 94, PUBLIC ACT OF MICHIGAN, 1933, AS AMENDED.

THE TOWNSHIP OF PENINSULA HEREBY ORDAINS:

SECTION 1. It is hereby determined to be desirable and necessary for the public health, safety and welfare of the Township of Peninsula that the Peninsula Township sewage system be operated by said Township on a public utility rate basis in accordance with the provisions of Act 94, Public Acts of Michigan, 1933, as amended.

SECTION 2. DEFINITIONS - Wherever the following words are referred to in this ordinance, they shall be understood to have the meaning as defined in this section:

Debt Service Charge means those charges levied to meet principal and interest costs for monies borrowed to construct the sewage system.

Operation and Maintenance means those costs required for personnel, materials and supplies to operate and maintain the system in good working order.

Replacement Costs means costs that are levied and set aside for the purpose of making major repairs and replacement to the system, if needed, and is part of the operation and maintenance of the system.

Revenues and Net Revenues means the same definition as provided for in Section 3, Act 94, Public Act of Michigan, 1933, as amended.

Sewer Service Charge means the fees billed to all customers attached to the system for support of the cost of the system. This charge includes user charges, debit service charges and replacement charges.

Sewer User Charge means the costs that are levied to cover the cost of operation and maintenance of the system and replacement cost.

"The System" means the complete Peninsula Township sewage system, including all sewers, pumps, lift stations, flowage rights in interceptors of other systems, treatment facilities or interests therein, and all other facilities used or useful in the collection, treatment and disposal of domestic, commercial or industrial wastes, including all appurtenances thereto and including all extensions and improvements thereto which hereafter be acquired.

User Class means classification of users based on type of sewage being discharged to the system as follows:

Class I - Residential, commercial, institutional and industrial users that discharge sewage normal domestic. Sewage normal domestic is sewage which does not exceed the qualitative standard provided for in Article VI of the Township's Uniform Sewer Use and Construction Ordinance of 1976, as amended.

Class II - Residential, commercial, institutional and industrial users that discharge sewage excess strength. Sewage excess strength is sewage which exceeds the qualitative requirements of the Township's Sewer Use and Construction Ordinance of 1976, as amended.

SECTION 3. The operation, maintenance, alteration, repair and management of the system shall be under the supervision and control of the Grand Traverse County Board of Public Works, subject to the terms of the contract dated June 1, 1990, between the County of Grand Traverse and the Township of Peninsula. Said Board may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the system and may make such

rules, orders and regulations as it deems advisable and necessary to assure the efficient management and operation of the system, and the Township shall set the rates and charges for the use of the system unless otherwise provided pursuant to said contract.

SECTION 4. Rates to be charged for service furnished by the system shall be as follows:

Sewer Use Charge

Sewer use charges to each single-family residential premises served by the system shall be in the flat amount of \$15.00 per month. 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 15 of this ordinance; provided, however, that the minimum monthly charge to any premises shall be \$15.00. 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 or devices, at a rate of \$2.00 per 1,000 gallons.

Benefit and Riser Charge

(a) Prior to the time specified in subsection (b) hereof, there shall be paid on behalf of each single-family residential premises using, directly or indirectly, any of the sewer lines comprising the system, in cash, at the time of application for the tap permit, the following charges for the purchase of the privilege of using the facilities and receiving the service of the system:

Benefit charge	\$1,800.00
Riser Charge (for connection from sewer to property line if not otherwise paid for by property owner)	\$ 500.00

plus such sums as will compensate for the cost of making and inspecting the tap, provided; however, that such purchase represented by either or both charges for property located within Special Assessment District 90-1-S, other than new construction may, at the option of the payor, be paid for over a 20-year period in equal quarterly installments with interest on the unpaid balance at a rate of 5% per annum, and

provided further, however, that in the event of such installment payment, the cost of making and inspecting the tap shall be paid in cash upon application for the tap permit. Any charges being paid on an installment basis may be paid in full, at any time, with interest paid to the due date of the next installment.

(b) Upon the expiration of eighteen (18) months following the first day of the calendar month after publication of a notice by the Township in a newspaper of general circulation in the Township announcing that the sewer system servicing Special Assessment District 90-1-S and any future extensions or additions is completed and available for use, any application for a permit to tap a single-family residential premises, directly or indirectly, into any sewer lines of the system shall be accompanied by payment, in cash, of charges for the aforesaid purchase, in the following amounts:

Benefit Charge - \$1,800.00

Riser Charge - \$ 500.00

plus such sums as will compensate for the cost of making and inspecting the tap.

(c) Premises other than single-family residences shall pay the above benefit charges in the appropriate amounts specified above, multiplied by the factors provided for in Table 1 of Section 15 of this ordinance; provided, however, that the minimum charges shall be the amounts set out above for benefit and riser charges for the applicable time periods. Riser charges in appropriate amounts will be paid in multiples of the number of sewer risers necessary to serve the premises connecting, or may be eliminated entirely if the cost of such riser or risers is paid directly by the party requesting the tap permit and such elimination is approved by the Township Board.

(d) Subsequent changes in the character of the use or type of occupancy of any premises (including destruction, removal or abandonment of any or all improvements thereon) shall not abate the obligation to continue the payment of the benefit charge or the riser charge as herein set forth applicable to said premises in the amount and for the period herein provided, and if such subsequent changes place said premises in a higher ratio-factor category, the Township Board may, in its discretion, increase the number of units assigned to said premises, and thereupon any additional charges occasioned by such increase shall be payable, in cash, at the time a construction permit or other permit is issued by the Township for such changes, or at the time such changes occur if no permit is issued or required.

Lateral Benefit Charge

There shall be paid on behalf of any premises making a direct private service line connection to any sewer line of the system which has not been either privately constructed and paid for on behalf of said premises or publicly financed at least in part by means of special assessments levied against the property on which said premises are located, for the privilege of making use of said public sewer line as a sanitary sewer lateral, at the time of application for a tap permit, a lateral benefit charge measured by the footage abutting the line tapped. The following sewer lines are subject to a lateral charge in the amount and method of payment specified:

80 feet of property, or less
Next 40 feet, or less, add
Next 40 feet, or less add

Special Rates

For miscellaneous or special services for which a special rate shall be established, such rates shall be fixed by the Township Board.

Billing

Bills will be rendered quarterly, payable without penalty within fifteen (15) days after the date thereon. Payments received after such period shall bear a penalty of ten percent (10%) of the amount of the bill.

Enforcement

The charges for services which are under the provisions of Section 21, Act 94, Public Acts of Michigan, 1933, as amended, made a lien on all premises served thereby, unless notice is given that a tenant is responsible, are hereby recognized to constitute such lien, and whenever any 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 September 1st of each year to the tax assessing officer of the Township the facts of such delinquency, whereupon such charge shall be by him entered upon the next taxroll 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. Provided, however, where notice is given, that a tenant is responsible for such charges and service as provided by said Section 21, no further service shall be rendered such premises until a cash deposit in the amount of \$100.00 shall have been made as security for payment of such charges and service.

In addition to the foregoing, the Township shall have the right to shut off sewer service to any premises for which charges for sewer service are more than three (3) months delinquent, and such service shall not be re-established until all delinquent charges and penalties and a turn-on charge, to be specified by the Township Board, have been paid. Further, such charges and penalties may be recovered by the Township by court action.

Annual Review

The Township shall provide for an annual review of the system operations and revenue to ensure continued proportionality of rates and economic self-sufficiency of the system.

SECTION 5. No free service shall be furnished by said system to any person, firm or corporation, public or private, or to any public agency or instrumentality.

SECTION 6. All premises to which services of the system shall be available shall connect to the system within eighteen (18) months following the first day of the calendar month after publication of a notice by appropriate officials in charge of the system indicating that such services are available.

SECTION 7. The rates hereby fixed are estimated to be sufficient to provide for the payment of the expenses of administration and operation, such expenses for maintenance of the said system as are necessary to preserve the same in good repair and working order, to provide for the payment of the contractual obligations of the Township to the County of Grand Traverse pursuant to the aforesaid contract between said County and the Township of Peninsula as the same become due, and to provide for such other expenditures and funds for said 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.

SECTION 8. The system shall be operated on the basis of a fiscal year corresponding with that of the Township.

SECTION 9. The revenues of the system shall be set aside as collected and deposited in a separate depository account in the National Bank of Detroit , Traverse City , Michigan, a bank duly qualified to do business in Michigan, in an account to be designated SEWAGE DISPOSAL SYSTEM RECEIVING FUND (hereinafter, for brevity, referred to as the "Receiving Fund"), and said revenues so deposited shall be transferred from the Receiving Fund periodically in the manner and at the times hereinafter specified.

(A) Operation and Maintenance Fund

Out of the revenues in the Receiving Fund there shall be first set aside quarterly into a depository account designated Operation and Maintenance Fund a sum sufficient to provide for the payment of the next quarter's current expenses of administration and operation of the system and such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order.

(B) Contract Payment Fund

There shall next be established and maintained a depository account to be designated Contract Payment Fund, which shall be used solely for the payment of the Township's obligations to the County of Grand Traverse pursuant to the aforesaid contract. There shall be deposited in said fund quarterly after requirements of the Operation and Maintenance Fund have been met such sums as shall be necessary to pay said contractual obligations when due. Should the revenues of the system prove insufficient for this purpose, such revenues may be supplemented by any other funds of the Township legally available for such purpose.

(C) Replacement Fund

There shall next be established and maintained a depository account designated Replacement Fund, which shall be used solely for the purpose of making major repairs and replacements to the system if needed. There shall be set aside into said fund after provision has been made for the Operation and Maintenance Fund and the Contract Payment Fund such revenues as the Township Board shall deem necessary for this purpose.

(D) Improvement Fund

There shall next be established and maintained an Improvement Fund for the purpose of making improvements, extensions and enlargements to the system. There shall be deposited into said fund after providing for the foregoing fund such revenues as the Township Board shall determine.

(E) Surplus Monies

Monies remaining in the Receiving Fund at the end of any operation year after full satisfaction of the requirements of the foregoing funds may, at the option of the Township Board, be transferred to the Improvement Fund or used in connection with any other project of the Township reasonably related to purposes of system.

(F) Bank Accounts

All monies belonging to any of the foregoing funds or accounts may be kept in one bank account, in which event the monies shall be allocated on the books and records of the Township within this single bank account in the manner above set forth.

SECTION 10. In the event the monies in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund, any monies and/or securities in other funds of the system, except sums in the Contract Payment Fund derived from special assessments or tax levies, shall be transferred to the Operation and maintenance Fund to the extent of any deficit therein.

SECTION 11. Monies in any fund or account established by the provisions of this ordinance may be invested in obligations of the United States of America in the manner and subject to the limitations provided in Act 94, Public Acts of Michigan, 1933, as amended. In the event such investments are made, the securities representing the same shall be kept on deposit with the bank or trust company having on deposit the fund or funds from which such purchase was made. Income received from such investments shall be credited to the fund from which said investments were made.

SECTION 12. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 13. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed.

SECTION 14. This ordinance shall be published once, in full, in the Daruse City Record Eagle, a newspaper of general circulation within the boundaries of the Township and qualified under state law to public legal notices, promptly after its adoption, and the same shall be recorded in the Ordinance Book of the Township and such recording authenticated by the signatures of the Supervisor and Township Clerk.

SECTION 15. Following is Table 1 referred to in prior section of this ordinance.

SECTION 16. This ordinance shall become effective immediately upon its adoption.

TABLE I
SCHEDULE OF RESIDENTIAL EQUIVALENTS

<u>Use.</u>	<u>Single Family Residential Equivalent</u>
Apartments	1.0 per unit
Auto Dealers	.30 per service stall
Banks	.50 per 1000 sq.ft.
Barber Shops	1.0 per shop plus .10 per chair
Bar	.166 per seat
Beauty Shops	1.0 per shop plus .10 per chair

Use	Single Family Residential Equivalent
Car Wash	Attendant operated 12.0 per lane Coin operated 1.0 per stall
Churches	1.0 plus .10 per 1000 sq.ft.
Cleaners	1.5 per 1000 sq.ft. plus 2.0 per press
Clothing or Shoe Stores - Mens or Womens	.50 per 1000 sq.ft.
Clinics - Medical or Dental	1.0 per doctor
Convalescent or Nursing Homes	.22 per bed
Drapery Shop or Fabric Retail Store	.50 per 1000 sq.ft.
Drug Store	.75 per 1000 sq.ft.
Factories - exclusive of industrial waste	.50 per 1000 sq.ft. plus industrial process waste
Fraternal Organizations	1.0 per 1000 sq.ft. Single Family
Furniture Store	.25 per 1000 sq.ft.
Gift Shop	.75 per 1000 sq.ft.
Grocery Store	1.0 per 1000 sq.ft.
Meat Markets or Produce Markets	2.5 per 1000 sq.ft.
Hotels or Motels	.25 per unit plus restaurant, bar and meeting facilities at respective unit factors
Laundry - Self Service	.50 per washer
Mobile Home Park	1.0 per trailer space
Office Building	.50 per 1000 sq.ft.
Restaurants - Food and Beverage	.125 per seat

<u>Use</u>	<u>Single Family Residential Equivalent</u>
Restaurants - Food Only	.10 per seat
Schools	.67 per classroom
Service Stations	.40 per pump
Snack Bars - Drive In Restaurants	.10 per seat and/or stall
Stores - Other Than Listed	.50 per 1000 sq.ft.
Theatres - Drive In	.008 per car space
Warehouse	.10 per 1000 sq.ft.
Single Family Residence	1.0 per residence
Two Family Residence	1.0 per residence
Motel Units with Complete Kitchen Facilities	.50 per unit

I hereby certify that the attached constitutes a true and complete copy of Ordinance No. 18 duly adopted by the Township Board of the Township of Peninsula, County of Grand Traverse, Michigan, at a Regular meeting held on September 10, 1991, and that public notice of said meeting was given pursuant to Act No. 261, Public Acts of Michigan, 1968, including in the case of a special or rescheduled meeting notice by publication or posting at least twelve hours prior to the time set for the meeting.

I further certify that the following Members were present at said meeting Manigold, Belding, Beaton, Fulmer
and Gray
and that the following Members were absent _____

I further certify that Member Gary L. Fulmer moved adoption of said Ordinance, and that said motion was supported by Member Robert K. Manigold.

I further certify that the following Members voted for adoption of said Ordinance Desjard, Belding, Buckton,
Fulmer and Gray.

I further certify that said Ordinance has been recorded in the Ordinance Book of the Township and that such recording has been authenticated by the signatures of the Supervisor and Township Clerk.

Mary K. Belding
Township Clerk