

Ordinance No. 29

SANITARY SEWAGE DISPOSAL FACILITIES RATE AND MANDATORY CONNECTION ORDINANCE

Adopt. 10-25-90

Revised 03-09-04

Revised 02-14-06

Revised 12-11-07

Revised 03-14-2014

An Ordinance to provide for the operation of all sanitary sewage disposal facilities in the Township of Covert on a public utility basis under the Provisions of Act 94, Public Acts of Michigan, 1933, as amended, and to prescribe the rates to be charged for the use of said facilities; to provide for mandatory connection to said facilities, and to provide for other matters relative to said system.

THE TOWNSHIP OF COVERT HEREBY ORDAINS:

Sec. 1. PUBLIC UTILITY RATE BASIS.

It is hereby determined to be desirable and necessary for the public health, safety, and welfare of the Township of Covert that all sanitary sewage disposal facilities in the Township be operated on a public utility rate basis in accordance with the provisions of Act 94, Public Acts of Michigan, 1933, as amended.

Sec. 2. DEFINITIONS.

Whenever the words "**the System**" are referred to in this Ordinance they shall be understood to mean those facilities of the Covert Township Sanitary Sewage Disposal System No. 1 under the operational control of the Township of Covert, as well as all other public sanitary sewage facilities within the Township available for use by premises within the Township, including all sewers, pumps, lift stations, and all other facilities used or useful in the collection and disposal of domestic, commercial or industrial wastes, and all appurtenances thereto, and including all extensions and improvements thereto, which may hereafter be acquired.

Whenever the words "**revenues**" and "**net revenues**" are used in this Ordinance they shall be understood to have the meanings as defined in Section 3, Act 94, Public Acts of Michigan, 1933, as amended. (ord. No. 29 adopt. 10-25-90)

Sec. 3. OPERATION AND MAINTENANCE.

The operation and maintenance of the System shall be under the general supervision and control of the Township, subject to the terms of the financing contract for the Covert Township Sewage Disposal System No. 1. The Township has retained the exclusive right to establish, maintain, and collect rates and charges for sewer collection and disposal service, and the Township Board may employ such person or persons in such capacity or capacities as it deems advisable and may make such rules, orders, and regulations as it deems advisable and necessary to assure the efficient establishment, maintenance, and collection of such rates and charges. (ord. No. 29 adopt. 10-25-90)

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Sec. 4. RATES, CHARGES AND ENFORCEMENT.

Rates to be charged for services furnished by the system shall be as follows:

- A. **Sewer Use Charges.** Sewer users shall be charged a rate of \$125 per quarter per Unit. Units are defined in Appendix I of Township Ordinance 26. This rate may be increased up to five (5) percent per quarter by adoption of a resolution by the Township Board, as necessary to ensure sufficiency of revenues in meeting the expenses of the System. (ord. No. 29 rev. March 14, 2014)
- B. **Connection Charge.**
- (1) **Direct Connection.** For each direct connection to lines of the System there shall be charged a fee of \$2,000.00 per unit as defined in appendix I of Township Ordinance No. 26. (ord. No. 29 rev. March 14, 2014)
 - (2) **Indirect Connection.** In order to defray the proportional share of the cost of treatment facilities, sewer lines, and pumping stations, for each indirect connection to the System there shall be charged a fee of \$1,000.00 per unit as defined in Appendix I of Township Ordinance 26. An indirect connection shall be defined as one made to existing lines or lines added to the System after its original construction. (ord No. 29 rev. March 14, 2014)
- C. **Equivalent User Factor.** Each premises shall pay the above charges multiplied by a factor representing a ratio of sewage use by such class of premises to normal single-family residential use, as defined in Appendix I of Township Ordinance 26. (ord No. 29 rev. March 14, 2014)
- D. **Permit Fee.** A permit fee of \$50.00 shall be charged for each connection.
- E. **Special Rates.**
- (1) For miscellaneous or special services which a special rate shall be established, such rates shall be fixed by the Township Board.
 - (2) Upon showing of need and lack of any other means to pay the connection charge, permit fee, or hook up fees charged by any contractor, the Township of Covert may advance such costs upon conditions it deems prudent so as to be able to secure and collect such sums and to preserve the integrity of the System. Such methods of collection shall include but not be limited to mortgages, security interests, liens on the property which may be treated the same as unpaid taxes, or other secured methods of payment.
- F. **Enforcement.** The charges for services, under the provisions of Section 21, Act 94, Public Acts of Michigan, 1933, as amended, are made a lien on all premises served thereby. Unless notice is given that a tenant is responsible, the notice of charges for services is hereby recognized to constitute such lien. Whenever any such charge against any piece of property shall be delinquent for ninety (90) days, the Township official or officials in charge of collection thereof shall certify annually on September 1st of each year to the tax-assessing officer of the Township the facts of such delinquency. Such charge shall be entered upon the next tax roll as a charge against such premises. The charge shall be collected and the lien thereof enforced in the same manner as general township taxes against such premises are collected and the

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lien thereof enforced. Provided, however, where notice is given that a tenant is responsible for such charges and service, no further service shall be rendered such premises until a cash deposit in the amount of at least \$150.00 shall have been received by the Township as security for payment of such charges and service. The Township shall have the discretion but not the duty to notify the landlord or property owner where a tenant who is responsible for such charges neglects or refuses to pay such charges when due.

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 ninety (90) days delinquent, and such service shall not be re-established until all delinquency 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 or such other action as set forth herein. (ord. No. 29 adopt. 10-25-90)

Sec. 5. NO FREE SERVICE.

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. (ord. No. 29 adopt. 10-25-90)

Sec. CONNECTION REQUIREMENTS AND PENALTIES.

- A. The owners of all Structures in which Sanitary Sewage or Wastes originate, now situated or hereafter constructed within the District and abutting on any right-of-way, easement, highway, street, or public way in which there is now located or may in the future be located a Public Sewer of the Township, provided, that the Public Sewer is not more than two hundred (200) feet at the nearest point from the Structure in which Sanitary Sewage or Wastes originates, are hereby required at their expense to connect said structure's Building Sewer directly to the Public Sewer in accordance with the provisions of this Ordinance. The Township may require any such owners, pursuant to the authority conferred upon it by law or ordinance, to make such installations or connections. (ord. No. 26 eff. Sept. 14, 1989)
- B. As a matter of public health, all connections to the Public Sewer required thereunder, shall be completed no later than ninety (90) days after the last to occur of the date of official notice by the Township to make said connections or the modification of a structure so as to become a Structure in which Sanitary Sewage or Wastes originates. Persons who fail to complete a required connection to the Public Sewer within such ninety (90) days period shall be liable for a civil penalty equal in amount to the User Charges that would have accrued and been payable had the connection been made as required. (ord. No. 29 adopt. 10-25-90)

Sec. 7. ADMINISTRATION AND OPERATION EXPENSES.

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 said System necessary to preserve the same in good repair and working order, to provide for the payment of the debt service obligations of the Townships, 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. (ord. No. 29 adopt. 10-25-90, Revised 03-09-04)

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Sec. 8. OPERATING YEAR.

The System shall be operated on the basis of an operating year commencing on July 1 and ending on the last day of June next following. (ord. No. 29 adopt. 10-25-90)

Sec. 9. REVENUES.

The revenues of the System shall be set aside as collected and deposited in a separate depository account at First of America Bank-Michigan, or its successor, a bank duly qualified to do business in Michigan, in an account to be designated SEWER SYSTEM RECEIVING FUND (hereinafter referred to as "Receiving Funds"). Said revenues so deposited shall be transferred from the Receiving Fund periodically, in the manner and at the times hereafter specified.

- A. **Operation and Maintenance.** Out of revenues in the Receiving Fund, a sum shall be set aside quarterly to provide for the payment of the next quarter's expenses of administration and operation of the system and such expenses for maintaining the System in good repair and working order.
- B. **System Payment.** Out of revenues, and after the set aside of funds for Operation and Maintenance, a sum shall be set aside quarterly to provide for the payment of the Township's obligations for financing the System. 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 and Improvement.** Out of revenues in the Receiving Fund and after the set aside of funds for Operation and Maintenance and System Payment, a sum shall be set aside to provide for making major repairs and replacements, improvements, extensions, and enlargements to the System. The amount of funds to be set aside for this purpose shall be determined by the Township Board.
- D. **Surplus Moneys.** Moneys remaining in the Receiving Fund after full satisfaction of the requirements for operation and maintenance, System payment, and replacement and improvement, may, at the option of the Township Board, be transferred to an Improvement Fund, or be used in connection with any other project of the Township reasonable related to purposes of the System.
- E. **Bank Accounts.** All money belonging to the System fund may be kept in one bank account. In the event the moneys shall be allocated on the books and records of the Township within the single bank account. (ord. No. 29 adopt. 10-25-90)

Sec. 10. INSUFFICIENT FUNDS.

In the event the moneys in the Receiving Fund are insufficient to provide for the current requirement of operation and maintenance, any moneys and/or securities in other funds of the System, except for debt payment funds, may be transferred for operation and maintenance to the extent of the deficit. (ord. No. 29 adopt. 10-25-90)

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Sec. 11. INVESTMENT FUNDS.

Moneys in any fund or account established by 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. (ord. No. 29 adopt. 10-25-90)

Sec. 12. HARDSHIP APPLICATION.

The owner or owners of a single-family residence in which residence said owner or owners reside and upon which a connection charge has been imposed may submit a hardship application to the Township seeking a deferment in the partial or total payment of the connection charge provided for herein based upon a showing of financial hardship, subject to and in accordance with the following:

- A. The owners of the premises shall, under oath, complete a hardship application provided by the Township Board and file said application, together with all other information and documentation reasonably required by the Township, with the Township Board not less than thirty (30) days prior to the due date of such charge. An application shall be completed and filed by each and every legal and equitable interest holder in the premises, excepting financial institutions having security interests in the premises.
- B. Hardship applications shall be reviewed by the Township Board and, after due deliberation of the application, the Township Board shall determine in each case whether there has been an inadequate showing of financial hardship, and shall immediately notify the applicants of said determination.
- C. An applicant aggrieved by the determination of the Township Board may request the opportunity to appear before the Township Board in person for the purpose of showing hardship and presenting any argument or additional evidence. A denial of hardship following such a personal appearance before the Township Board shall be final and conclusive.
- D. In the event that the Township Board makes a finding of hardship, the Township Board shall fix the time for payment or the amount of partial or total deferment of the charge imposed. The Township Board may require an annual filing of financial status by each applicant, providing that upon a material change of financial status of an applicant, said applicant shall immediately notify the Clerk of the Township so that a further review of the matter may be made by the Township Board. The period of the deferment shall automatically terminate upon the occurrences of any one of the following events:
 - (1) A change in the financial status of any applicant which removes the basis for financial hardship.
 - (2) A conveyance of any interest in the premises by any of the applicants, including the execution of a new security interest in the premises or extension thereof.

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(3) The death of any applicant.

Upon the determination of the Township Board deferring all or part of the charges imposed, the owners of the premises shall, within one (1) month after such determination, execute and deliver to the Township, as the secured party, a recordable security instrument covering the premises to guarantee payment of the deferred amounts on or before the death of any of the applicants or, in any event, upon the sale or transfer of the premises. Said security interest shall guarantee payment of an amount necessary to cover all fees and charges deferred and all costs of installation and connection, if applicable. The consideration for said security interest shall be the granting of the deferment pursuant to this Ordinance. (ord. No. 29 adopt. 10-25-90)

Sec. 13. SEVERABILITY.

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. (ord. No. 29 adopt. 10-25-90)

Sec. 14. CONFLICT.

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. (ord. No. 29 adopt. 10-25-90)

Sec. 15. PUBLICATION.

This Ordinance shall be published once promptly after its adoption, in full, in the **Herald-Palladium**, a newspaper of general circulation within the boundaries of the Township and qualified under State law to publish legal notices. This Ordinance shall be recorded in the Ordinance Book of the Township and the recording shall be authenticated by the signatures of the Township Supervisor and the Township Clerk. (ord. No. 29 adopt. 10-25-90)

Sec. 16. EFFECTIVE DATE.

This Ordinance shall become effective on the 25th day of October, 1990.

Revision of 03-09-04; shall take effect with the July 2004 billing cycle.

Revision of 02-14-06; shall take effect with the July 2006 billing cycle.

Revision of 12-11-07; shall take effect with the January 2008 billing cycle.

Revision of 03-14-2014; shall take effect with the April 2014 billing cycle.

Dated: December 11th, 2007

Covert Township


DENNIS PALGEN, CLERK