

**CHARTER TOWNSHIP OF GARFIELD**

**ORDINANCE NO. 15 – OPERATION AND MAINTENANCE  
OF THE GRAND TRAVERSE COUNTY WATER SUPPLY SYSTEM NO. 1  
(GARFIELD TOWNSHIP)**

**AN ORDINANCE TO PROVIDE FOR THE OPERATION AND MAINTENANCE  
OF THE GRAND TRAVERSE COUNTY WATER SUPPLY SYSTEM NO. 1  
(GARFIELD TOWNSHIP) ON A PUBLIC UTILITY BASIS UNDER THE PROVISIONS  
OF ACT 94, PUBLIC ACTS OF MICHIGAN, 1933, AS AMENDED.**

THE CHARTER TOWNSHIP OF GARFIELD ORDAINS:

Section 1. It is hereby determined to be desirable and necessary for the public health, safety and welfare of the Township of Garfield that the Grand Traverse County Water Supply System No. 1 (Garfield Township) be operated on a public utility rate basis in accordance with the provisions of Act 94, Public Acts of Michigan, 1933, as amended.

Section 2. Whenever the words “the System” are referred to in this Ordinance, they shall be understood to mean the complete Grand Traverse County Water Supply System No. 1 (Garfield Township), including all wells, storage facilities, mains pumps, and all other facilities used or useful in the storage, supply and distribution of potable water, including all appurtenances thereto and including all extensions and improvements thereto which may hereafter be acquired.

Whenever the words “revenue” and “net revenues” are used in this Ordinance, they shall be understood to have meanings as defined in Section 3, Act 94, Public Acts of Michigan, 1933, 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 May 25, 1976 between the County of Grand Traverse and the Township of Garfield. Said Board may employ such person or persons in such capacity or capacities 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 4A. Rates to be charged for service furnished by the System shall be as follows:

Benefit Charge

For the privilege of connecting to the system and receiving service there from there shall be paid on behalf of each user-customer desiring service from the system the following charges:

|   |            |
|---|------------|
| <u>Benefit Charge</u>   | \$2,800.00 |
| This charge will be increased beginning January 1, 2007, and then by \$100 every two (2) years after that through the year 2021, as displayed in the table below: |            |

|                 |            |                 |            |
|-----------------|------------|-----------------|------------|
| January 1, 2007 | \$2,800.00 | January 1, 2015 | \$3,200.00 |
| January 1, 2009 | \$2,900.00 | January 1, 2017 | \$3,300.00 |
| January 1, 2011 | \$3,000.00 | January 1, 2019 | \$3,400.00 |
| January 1, 2013 | \$3,100.00 | January 1, 2021 | \$3,500.00 |

The Benefit Charge for connection of premises other than single family residences shall be in the appropriate amounts specified above, multiplied by the factors provided for in Table 1 (as amended) provided, however, that the minimum Benefit Charge shall be that specified above for a single family residence.

Use Charges

Use charges to each premises served by the System shall be at the following metered rates per month: Beginning January 1, 2007 the base water rate fee will be \$9.20 for the first 462 cubic feet of water used per month, and the commodity charge will be \$1.70 for every 100 cubic feet for usage above the initial 462 cubic feet, then these rates will increase based on the table below:

|                 |         |   |
|-----------------|---------|---|
| January 1, 2007 | \$9.20  | 1 <sup>st</sup> 462 cu.ft. and \$1.70 per 100 cu.ft. over |
| January 1, 2008 | \$10.35 | 1 <sup>st</sup> 462 cu.ft. and \$1.75 per 100 cu.ft. over |
| January 1, 2009 | \$11.50 | 1 <sup>st</sup> 462 cu.ft. and \$1.75 per 100 cu.ft. over |
| January 1, 2010 | \$11.50 | 1 <sup>st</sup> 462 cu.ft. and \$1.80 per 100 cu.ft. over |

In order for the Township to properly bill a premises served by a single water connection and where there is more than one family unit on the premises, then the bill shall be determined by dividing the total consumption of water by the number of units of a one family type and the bill for each unit shall be computed according to the above schedule and the premises shall be billed by multiplying the rate for each unit by the number of units.

For the purposes of this section a family unit shall be considered that portion of a structure occupied by one person or two or more persons living together and occupying a part of a dwelling as a separate housekeeping unit with a common and single act of culinary facilities.

The Township shall pay for all water used by it or any of its departments at the foregoing rates.

2. Service Lead (from public water line to property line)

All service leads to be on a time and material basis, plus 15% but with a minimum amount as follows:

|                  |           |
|------------------|-----------|
| 1" Service Lead  | \$ 510.00 |
| 1½" Service Lead | 950.00    |
| 2" Service Lead  | 1,285.00  |

3. Building Service (supply meter horn and supply and install meter and remote reading device)

Meter and horn costs are quoted on a yearly basis from the manufacturer. Update cost annually based on quotes, plus 15%, plus labor.

4. Permits and Inspection Fees

(New service leads and building services)

|  |          |
|--|----------|
| Filing Fee   | \$ 10.00 |
| Inspection Fee                                       | 25.00    |
| Each Re-Inspection                                   | 10.00    |
| Inspection of privately<br>constructed service leads | 75.00    |

5. Supply Construction Water

|                                      |       |
|--------------------------------------|-------|
| Residential buildings (1 & 2 family) | 10.00 |
| Commercial buildings (all others)    | 25.00 |

6. Adoption of a Schedule for Water Turn-on/off Fee

The Township Board shall adopt a Schedule for Water turn-on/off Fee. The Water turn-on/off Fee adopted by the Board shall apply to all users of a structure(s) or parcel(s) of property within the Township when water service is turned-on or turned-off for any reason. The Schedule for Water turn-on/off Fee shall be adopted and/or amended by resolution of the Township Board. The Township shall publish the Schedule for Water turn-on/off Fee or any amendment to the Schedule for Water turn-on/off Fee in a newspaper of general circulation for the Township, and shall make available a copy of the current Schedule for Water turn-on/off Fee at the Township offices for review by the public. A copy of the Schedule for Water turn-on/off Fee shall also be provided to the Grand Traverse County Board of Public Works, or any other body or entity that the Township has assigned to for administration and collection of fees for when water service is turned-on or turned-off.

7. Fire Hydrant Use and Permit

Fire hydrant permit from April 15 to  
October 15

Use of hydrant for the first 30 days  
With 2000 cu. ft. of water \$ 50.00

Plus equipment deposit

Every day over the first month of  
Rental will be an extra: 2.00/day

After October 15 there may be an  
additional charge for time and materials  
due to seasonal preparations

8. Meter Testing and Repair

Large Meters (over 1½")  
Testing intervals based on AWWA Standards  
Testing cost will be billed back to customer/owner  
on a time and material basis plus 15%

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 Service Lead 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.

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 monthly or quarterly as determined by the Town Board, payable without penalty within fifteen (15) dates 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 1<sup>st</sup> 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 tax roll 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 services.

In addition to the foregoing, the Township shall have the right to shut off water service to any premises for which charges for water 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.

### Section 4B Deferral of Benefits

#### (a) Charges Eligible

Where the benefit charges imposed under Section 4A for a single permit exceed five (5) residential equivalents, the Township Board may, upon written application by the property owner made before payment of the benefit charges or issuance of the permit, defer payment under the terms and conditions set forth herein if the Township determines, in its sole discretion, that deferral will adequately protect the financial position of the Township and is in the public interest.

#### (b) Deferral

The deferral shall be made pursuant to a written Application executed by or on behalf of the owner of the premises for which a water permit is requested. If approved by the Township Board, the water permit requested shall issue upon the condition, which shall be noted on the permit, that payment has been deferred by the 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 it 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 water charges and if the Township elects, the deferral payments may be set forth on the same bill as regular water charges and shall be due the same day. If a special billing is used, the special bill shall be due thirty (30) days from the 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 water charges, and may be irregular in amount. The first such payment shall be due on the earlier of the first regular water 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 the interest during the term of deferral.

(e) Interest

The balance of the 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 of 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 4A. 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 water 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 Service and 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 the deferral without further notice. Provided,



however, that the owner or person in control of the premises shall have a right to a hearing before the Township Board or officer designated by the Township Board if a written request therefore is made before the 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 for counsel, and out-of-pocket fees for abstracts, UCC searches, certificates, days of billing therefore. Submission of an Application for a deferral shall be deemed the owner's

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. 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 partial 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 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 7. The System shall be operated on the basis of a fiscal year corresponding with that of the Township.

Section 8. The revenues of the System shall be set aside and deposited in a separate depository account in National Bank and Trust, Traverse City, Michigan, a bank duly qualified to do business in Michigan, in an account to be designated WATER SUPPLY 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 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 operating 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 the 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 set forth.

Section 9. 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 or securities in other funds of the System, except sums in the Contract Payment Fund derived from tax levies or special assessments, shall be transferred to the Operation and Maintenance to the extent of any deficit therein.

Section 10. 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 from received from such investments shall be credited to the fund from which said investments were made.



Section 11. 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 other provisions of this Ordinance.

Section 12. 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 13. This Ordinance shall be published once, in full, in the Record Eagle, Traverse City, Michigan, a newspaper of general circulation within the boundaries of the Township and qualified under State law to publish 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 14. This Ordinance shall become effective immediately upon its adoption.

GARFIELD TOWNSHIP  
TABLE 1  
SCHEDULE OF RESIDENTIAL BENEFITS

| Category   | Benefit | Per Unit   |
|--|---------|--|
| Single Family Residence  | 1.00    | benefit for each home                            |
| Duplex   | 2.00    | benefit for each unit/home                       |
| Apartment Complex  | .50     | benefit per unit                                 |
| Senior Living Complexes (for residents 55 or older)  | .35     | benefit per unit                                 |
| Assisted Living  | .30     | benefit per unit                                 |
| Auto /Boat/Snowmobile Dealers, etc. & Repair Facilities  |         |  |
| Per Service Stall  | .30     | per stall +                                      |
| + other areas based on their use office/storage, etc.  |         | other areas at their rate                        |
| Barber, Beauty, Massage, Nail, Tanning Shops – based on 1.00 benefit   | 1.00    | benefit +  |
| + number of chairs at .10 per chair  | .10     | per chair  |
| Bar: 50.1% or more of its revenue from the sale of alcoholic drinks  | .10     | per seat   |
| Bowling Alleys   | .16     | per alley  |
| Car Washes   |         |  |
| Manual/wand type – out of car operation – usually self serve   | 1.00    | per stall  |
| Automatic- Driver stays in the car   | 12.00   | per lane   |
| Churches   | 1.00    | benefit +  |
| + .10 per 1,000 square feet  | .10     | per 1,000 sq. ft.                                |
| Cleaners – based on sq. ft.  | 2.00    | benefits per 1,000 sq. ft. +                     |
| + number of presses  | 2.00    | benefits per press                               |
| Clubhouse – within a subdivision and/or condo association<br>(not a “public” meeting area – private for residents only.) | .50     | per 1,000 sq. ft                                 |
| Day Care Center Adult of Child   | 1.00    | benefit +  |
|  | .10     | Per person (adult/child)                         |
| Distillery/Winery/Tasting Rooms  | .10     | per seat   |
| Like manufacturing (+ Industrial Pre-Treatment Processing as<br>Required by OMI/WWTP Operators)                          |         | Minimum of 1.00 benefit for<br>tasting room area |
| Food Court Vendors with shared seating   | 2.00    | per vendor                                       |
| Fraternal Organizations  | 1.00    | for the first 2,000 sq. ft. +                    |
|  | .50     | per 1,000 sq. ft.                                |
| Garage – residential with water hooked to it for a sink or bathroom  | .00     |  |
| If it is being used as a residential unit see apt/residential unit above   | 1.00    | Benefit per unit                                 |

| Category  | Benefit | Per Unit                        |
|---|---------|---------------------------------|
| Gas Station/Service Station   | .25     | benefits per fill-up location + |
| Plus retail areas and repair stalls at their rate   |         | other areas at their rate       |
| Grocery Store – Party/Liquor Store (like 7-11, Geyer’s Party Haus)  | 1.00    | per 1,000 sq. ft.               |
| (for other types of stores see Offices/Banks/Retail/Stores/Work areas below)  | .50     | per 1,000 sq. ft.               |
| Gyms  | .70     | per 1,000 sq. ft.               |
| Tennis Courts – (Inside a gym)  | .25     | per court                       |
| Racquetball – (Inside a gym)  | .25     | per court                       |
| Swimming Pool – (Inside a gym if not used for competition/ spectator events)  | 1.00    | benefit                         |
| Home Business: business out of the home   | 1.00    | for the home plus               |
|   | .50     | minimum .50 for the business    |
| Hotels or Motels  | .50     | per unit without a kitchen      |
| Units under 400 sq. ft.   | .25     | with a kitchen                  |
| + 25 if the room has a hot tub  | .25     | with a hot tub                  |
| Units over 400 sq. ft.  | 1.00    |                                 |
| Laundry – Self Service  | .50     | per washer                      |
| Manufacturing (exclusive of Industrial Waste)   | .50     | per 1,000 sq. ft.               |
| Manufacturing (+ Industrial Pre-Treatment Processing as required by OMI) (Same rates for us but must meet any requirements by OMI/WWTP operators) | .50     | per 1,000 sq. ft.               |
| Marina Building (bathroom and showers for boaters)  | .75     | per 1,000 sq. ft.               |
| 2010 – Lowered the rate but recheck each year   |         |                                 |
| Meat Market or Produce Market   | 2.50    | per 1,000 sq. ft.               |
| Mobile Home Parks   | 1.00    | benefit per home space          |
| Nursing Homes   | .45     | per bed                         |
| Offices: Full office buildings, or calculated office space in other types of uses   | .25     | per 1,000 sq. ft.               |
| Offices: Chiropractor, Dental, Medical  | .25     | per 1,000 sq. ft.               |
|   | .50     | per exam chair/room/table       |
| Public Meeting Spaces   | 1.00    | benefit per 1,000 sq. ft.       |
| Racquetball/Tennis Courts (stand alone-not inside a gym)  | 1.00    | benefit +                       |
| + .25 per court   | .25     | per court                       |
|   |         |                                 |

| Category   | Benefit | Per Unit                  |
|--|---------|---------------------------|
| Restaurants  | .125    | per seat                  |
| Restaurants – Outdoor Seating: patio/deck  | .014    | per sq. ft.               |
| Retail/Banks/Work Areas: Clothing, Drapery, Drug, Gift, Fabric, Furniture, etc.<br>Examples of Work Areas: Where anything is manufactured, assembled, coated, prepared, painted for manufacturing, and/or tested, etc.   | .50     | benefit per 1,000 sq. ft. |
| Roller Rinks   | 1.00    | benefit per 1,000 sq. ft. |
| Schools  | .30     | per classroom             |
| Snack Bars – Inside an establishment (Drive-in , etc. providing no alcohol   | .10     | per seat                  |
| Sporting Event that serves alcohol   | .004    | per seat                  |
| Swimming pools – Pool Areas inside an establishment that is not a recreational facility (like a hotel/motel)   | 1.00    | benefit per pool          |
| Swimming pools – Olympic size or associated with a recreational facility – with competitions/spectators during events  | 1.00    | benefit per 1,000 sq. ft. |
| Warehouse (loading/unloading trucks of racks with stored material)<br>And/Or Storage (areas used as “cold” storage only – nothing is manufactured, assembled, coated, prepared for manufacturing, and/or tested. If work is done in the area see Office/Stores/ Work Areas above.) | .10     | Per 1,000 sq. ft.         |
| ALL COMMERCIAL BUILDINGS ARE REQUIRED TO HAVE AN INSPECTION MANHOLE.<br><br>ALL ESTABLISHMENTS THAT DO ANY KIND OF FOOD PREPARATION NEED A GREASE TRAP.  |         |                           |