MANISTEE CITY COUNCIL
SPECIAL MEETING AGENDA

TUESDAY, JULY 8, 2014 – 6:00 P.M. - COUNCIL CHAMBERS

I. Call to Order.

a.) PLEDGE OF ALLEGIANCE.

b.) ROLL CALL.

II. Citizen Comments on Agenda Related Items.

III. New Business.

a.) CONSIDERATION OF INTRODUCING ORDINANCE 14-06, CHAPTER 1040 COMBINED WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM ORDINANCE AMENDMENTS.

The City commissioned a water and sewer rate study by Burton & Associates to review the water and sewer utility rate structure and financial needs. It was conducted in accordance with recommended practice by the American Water Works Association. The study recommended implementing a new rate structure.

In order to implement the study's recommendations, as well as address other areas of concern, the water and sewer ordinance needed to be revised. Staff reviewed the ordinance and drafted recommended changes. The amendment codifies the new rate structure, establishes all rates, fees and charges by Council resolution rather than in ordinance, clarifies and places additional restrictions on landlord affidavit program, adds freeze-up and run water section, and adds section on private wells and septic in City.

This ordinance was reviewed and recommended by the Council Ordinance Committee at their meeting of July 1, 2014. As an ordinance two separate readings are required. If this ordinance is introduced at this time it could be adopted at the next regular meeting.

At this time Council could take action to introduce Ordinance 14-06 amending Chapter 1040 Combined Water Supply and Sewage Disposal System.

IV. Concerns and Comments.

a.) CITIZEN COMMENT. This is an opportunity for citizens to comment on municipal affairs. Citizens in attendance may be recognized by the Mayor for comments. Signed letters from citizens may be read if so requested. Citizen comments are not limited to agenda items but should be directed toward municipal services, activities or areas of involvement.

b.) OFFICIALS AND STAFF.

c.) COUNCILMEMBERS.

V. Adjourn.

MDD:cl

COUNCIL AGENDA ATTACHMENTS:

Staff Memo
Ordinance Committee Minutes 7/1/14
Current Ordinance
Proposed Amended Ordinance

City of Manistee

Finance\Treasurer's Office

Memo to: Mitch Deisch, City Manager

From: Edward Bradford, CFO ENB

Re: Water & Sewer Ordinance

Date: July 2, 2014

Mitch,

The City commissioned a water and sewer rate study by Burton & Associates to review the water and sewer utility's rate structure and financial needs. It was conducted in accordance with recommended practice by the American Water Works Association. The study was presented to Council on 4/15/2014. The study recommended implementing a new rate structure. These recommendations were incorporated into the adopted 2014-2015 budget.

However, in order to implement the study's recommendations, as well as address other areas of concern, the water and sewer ordinance also needed to be revised. Staff reviewed the ordinance and drafted recommended changes. The changes primarily include: codifying the new rate structure, establishing all rates, fees and charges by Council resolution rather than in ordinance, clarifying and placing additional restrictions on landlord affidavit program, adding a freeze-up and run water section, and adding a section on private wells and septic in City.

This ordinance was reviewed and recommended by the Council Ordinance Committee at their meeting of July 1, 2014. The minutes are attached. As an ordinance, two separate readings are required. If the ordinance is introduced at this time it could be adopted at the next regular meeting.

Because of the volume of changes, I have attached the existing ordinance and a clean draft of the proposed ordinance rather than a marked up copy. Although there are a fair number of changes, I believe they are uncontroversial. Most relate to the implementation of the rate structure, although there is some other language clean-up and clarifications as well.

City attorney George Saylor felt the Ordinance must be amended in order to move forward with the new rate structure. The tentative schedule for the Ordinance was structured around the need to issue July water bills with the new rate structure:

July 1 Ordinance committee review
July 8 Special Council meeting – First reading

July 15 Council meeting – Second reading
July 25 Ordinance takes effect
July 28 Bills issued this week of

Heather has to set up the new rate structure in the billing system and make significant changes to all 3,500+ accounts. This process will consume most of the time between now and the end of July and may require extra data entry assistance and\or overtime.

There was a consensus from the Ordinance committee on Tuesday to recommend the ordinance to Council for consideration. If Council, after review, would like to see changes made, I hope we can address them at the meeting because there is no way to automatically "undo" the changes to the billing system in time to revert to the old billing method if the Ordinance gets delayed. If the Ordinance gets delayed, so will the next billing.

CITY COUNCIL ORDINANCE COMMITTEE MEETING
MINUTES OF JULY 1, 2014

A meeting of the Manistee City Council Ordinance Committee was held on Tuesday, July 1, 2014 at 6 p.m. in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660.

MEMBERS PRESENT: Catherine Zaring, Mark Wittlieff, Eric Gustad

MEMBERS ABSENT:

OTHERS PRESENT: City Manager Mitch Deisch, Finance Director Ed Bradford, City Attorney George Saylor

Discussion on Chapter 1040 Combined Water Supply and Sewage Disposal System. Due to the volume of changes, the Ordinance Committee was provided a copy of the existing language and a copy of the ordinance as rewritten. Most changes were uncontroversial in nature and most relate to the implementation of the rate structure from the recently completed Water and Sewer Rate Study. In summary: codifies new rate structure, establishes all rates, fees and charges by Council resolution rather than in ordinance, clarifies and places additional restrictions on landlord affidavit program, adds freeze-up and run water section, and adds section on private wells and septic in City.

Administration went over proposed ordinance with the Council Ordinance Committee and answered specific questions.

Consensus / Action: The Council Ordinance Committee recommended that this ordinance be forwarded to full Council for action at the Special Council meeting scheduled for Tuesday, July 8, 2014.

Discussion ensued regarding utility negotiations with both Manistee Township and Filer Charter Township; staff provided an update on both.

The meeting adjourned at approximately 6:50 p.m.

Respectfully submitted,

Mitchell D. Deisch, City Manager

MDD:cl

Chapter 1040
Combined Water Supply and Sewage Disposal System

EDITOR'S NOTE: Provisions relating to bonds issued for the purpose of paying the cost of acquiring, constructing, improving, enlarging and extending the combined water supply and sewage disposal system (as provided in an unnumbered ordinance passed February 9, 1987, as amended by an unnumbered ordinance passed January 3, 1989), and funds relating thereto, are not codified. Copies of the latest relevant legislation may be obtained, at cost, from the City Clerk.

1040.01	Definitions	1040.08	Operating year
1040.02	Operation as a single system	1040.09	Fluoridation of public water supply
1040.03	Management of system by Council	1040.10	Tampering with hydrants, stop cocks, stop gates, etc.; authority of Fire Chief
1040.04	Rates and fees	1040.11	Tampering with and polluting wells
1040.05	Billing; failure to pay; discontinuance of service; other remedies	1040.12	Tampering with or destruction of combined water and sewer system
1040.06	Fire hydrants; fire protection systems	1040.99	Penalty
1040.07	Unmetered commercial or industrial use		

CROSS REFERENCES
Water quality - see Mich. Const., Art. 4, Sec. 52; M.C.L.A. Secs. 67.38, 323.1 et seq.
Sewers and sewer systems generally - see Mich. Const., Art. 7, Sec. 24; M.C.L.A. Secs. 46.171 et seq., 67.34, 123.241 et seq., 323.151 et seq., 325.201 et seq.
Water supply generally - see Mich. Const., Art. 7, Sec. 24; M.C.L.A. Secs. 46.171 et seq., 123.11 et seq., 325.201 et seq., 486.51 et seq., 486.101 et seq.
Council policy re new water and sewer connections - see ADM. 210.03
Department of Public Works - see ADM. Ch. 238
Water Department - see ADM. Ch. 240
Sewer Department - POTW - see ADM. Ch. 242
Water pollution - see GEN. OFF. 670.01, 670.02
Wastewater discharge regulations - see S.U. & P.S. Ch. 1042
Cross connection control - see S.U. & P.S. Ch. 1044

1040.01 DEFINITIONS

As used in this chapter:

A. "Act 94" means Act 94 of the Public Acts of 1933, as amended.

B. "System" means the complete water supply and sewage disposal system of the City, both inside and outside the City, including all plants, works, instrumentalities and properties used

or useful in connection with transportation and treatment of sewage, together with improvements and extensions thereto, all facilities used or useful in the supply and distribution of water and all additions, extensions and improvements hereafter acquired. (Ord. Unno. Passed 2-9-87.)

1040.02 OPERATION AS A SINGLE SYSTEM

The existing water supply and sewage disposal system of the City shall remain consolidated and shall continue to be operated as a single combined water supply and sewage disposal system under the provisions of Act 94. (Ord. Unno. Passed 7-16-63.)

1040.03 MANAGEMENT OF SYSTEM BY COUNCIL

The operation, repair and management of the system shall be under the immediate supervision and control of the City Council. The City may employ such persons in such capacities as it deems advisable to carry on the efficient management and operation of the system. The City Council may make such rules, orders and regulations as it deems advisable and necessary to assure the efficient management and operation of the system. (Ord. Unno. Passed 2-9-87.)

1040.04 RATES AND FEES

A. Generally. Commencing July 1, 1998 rates to be charged for water and sewer service furnished by the system shall be as follows:

Metered Water (per 1,000 gallons)	$1.56
Metered Sewer (per 1,000 gallons)	$3.39
Unmetered Water, Monthly (including construction not to exceed 6 months)	$15.00
Unmetered Sewer, Monthly (residential only)	$45.00

All customers connected to the City's sanitary sewer system shall pay a bonded debt charge based on meter size. The bonded debt charge shall be as follows:

Meter size (inches)	Monthly Bonded Debt Charge
5/8 and 3/4	$6.60
1	$1700
1 1/4	$27.00
1 1/2	$38.00
2	$68.00
3	$152.00
4	$270.00
6	$609.00

For service sizes not specifically listed, the monthly bonded debt charge will be calculated by the following formula:

Y ($6.60) =	_____
X	Rounded to the nearest whole dollar amount.
Where X =	theoretical discharge of nozzles in U.S. gallons per minute at forty pounds from a five-eighths inch nozzle.
Where Y =	theoretical discharge of nozzles in U.S. gallons per minute at forty pounds from a nozzle equal to the size of service being calculated.

The source of theoretical discharges is the Union Engineering Handbook, Fifth Edition, Page 149. (Ord. 98-07 5-12-98)

B. Annual Adjustment.

1. Use of inflation rate. Effective on July 1, 1993, and annually thereafter, water and sewer consumption charges shall be increased equal to the inflation rate as established by the Michigan Department of Treasury or its successor, for purposes of determining tax limitations as provided by Act 213 of the Public Acts of 1981, as amended (Truth in Assessing) and Act 5 of the Public Acts of 1982, (Truth in Taxation) or an equivalent standard established by the City Council by resolution in the event that these Acts are repealed or modified so that the inflation rate is no longer published by the Department of Treasury or its successor. However, in no event shall rates be increased by more than five percent each year.

2. Method of calculation. The annual rate increase shall be calculated based on a theoretical residential customer with a three-quarter inch water meter consuming 6,000 gallons per month. The percentage rate increase shall be calculated based on the entire monthly bill, including the bonded debt charge and water and sewer consumption, but applied only to the water consumption charge and the sewer consumption charge on a one-third, two-thirds basis, respectively.

   The following is provided for example only and is based on rates in effect in July, 1998:

   A 6,000 gallon consumption equals a monthly bill of thirty-six dollars and 30 cents ($36.30). A maximum five percent increase would add $1.82 to the bill. $1.82 divided by 6,000 gallons consumption yields an increase of 30.3 cents per 1,000 gallons for water and sewer. The water rate would increase by one-third of that amount or 10.1 cents, rounded to 10 cents as the nearest whole number. The sewer rate would increase by two-thirds of that amount or 20.2 cents, rounded to 20 cents as the nearest whole number.

3. Calculation by City Manager; public hearing; amendments. The annual rate increase shall be calculated by the City Manager and submitted to the City Council with the budget for the ensuing fiscal year in accordance with Section 7-3 of the City Charter. The rate increase shall be subject to the public hearing required on the budget by

Section 7-4 of the City Charter. The rate increase can be modified by the City Council at any time in accordance with Charter provisions regarding ordinance amendments. (Ord. Unno. Passed 3-3-92; Ord. Unno. Passed 6-1-93. Ord. 98-07 Passed 5-12-98)

C. Special Rates. For miscellaneous services, a special rate shall be established from time to time by the City Council. However, all new water and/or sewer services provided outside the City limits shall be billed in accordance with the Council policy resolution on water and sewer extensions approved December 1, 1987. (Ord. Unno. Passed 2-2-88.)

D. Water Turn-Off/On Fee. A fee is hereby established to turn off and/or turn on the water supply when done at the request of the customer. The fee shall be initially established at twenty dollars ($20.00) for a turn-off and twenty dollars ($20.00) for a turn-on when the same is requested during regular working hours. The fee shall be seventy-five dollars ($75.00) if the action is requested outside of normal business hours so as to require that an employee be called in and/or in the event that the turn-on is the result of a delinquent turn-off. This fee may be modified and adjusted by the City Council by resolution. (Ord. Unno. Passed 6-1-93.)

E. Tap-In Charge. A tap-in charge shall be established by the City Manager and amended from time to time. The tap-in charge shall be established at an amount which shall recover the City's actual cost for time and material associated with the tap-in. The City Council may review and revise the charge at its discretion. (Ord. Unno. Passed 4-3-90.)

F. Exterior Water Consumption. Exterior water consumption which does not connect with the sewer system may be billed and metered separately without a sewer consumption or readiness-to-serve charge under rules and regulations approved by the City Council. (Ord. Unno. Passed 2-2-88.)

G. Free Service. No free service or service at less than cost shall be furnished by the system to any person, public or private, or to any public agency or instrumentality.

H. Fixing and Revising Rates; Rate Covenant. The rates charged pursuant to this section are estimated to be sufficient to provide for the payment of the expenses of the administration, operation and maintenance of the system as are necessary to preserve the system in good repair and working order, and, when taken together with net revenues, to provide for an amount equal to the annual principal and interest requirement on all bonds as the same become due and payable, the creation and maintenance of the reserves therefor, and all other obligations, expenditures and funds for the system required by law, including this chapter. The rates shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the system at all times sufficient to provide for the foregoing. (Ord. Unno. Passed 2-9-87.)

1040.05 BILLING; FAILURE TO PAY; DISCONTINUANCE OF SERVICE; OTHER REMEDIES

A. All metered customers will be billed monthly. All bills must be paid within fifteen days from the date of the bill. Ten percent (10%) will be added to the amount of the bill if not paid

within fifteen (15) days from the date of the bill. Water shall be shut off if a bill is not paid within forty-five (45) days of the due date. Water so shut off shall not be turned on again until a turn on charge, as provided in Section 1040.04(d), plus all sums due and owing, are paid in full. Any service performed outside normal working hours will be billed at cost. (Ord. Unno. Passed 6-1-93; Ord. 98-07 Passed 5-12-98, Ord. 02-03 Passed4-2-02)

B. The charges for service of the system which are, under the provisions of Section 21 of Act 94(MCL141.121) may be made a lien on all premises served thereby, unless notice is given pursuant to subsection (b) hereof that a tenant is responsible and deposit made as provided hereinafter, are hereby recognized to constitute such lien, and whenever such charges against any piece of property shall be delinquent for six (6) months, the City officials or officials in charge of the collection thereof shall certify semiannually, by May 15th and September 15th of each year, to the tax assessing officer of the City, the fact of such delinquency, whereupon such charge shall be entered by him or her upon the next tax roll as a charge against such premises ans shall be collected and the lien thereof enforced in the same manner as general City taxes against such premises are collected and the lien thereof enforced. However, where notice is given that a tenant is responsible for such charges and service as provided by said Section 21 of Act 94 (MCL 141.121), no further service shall be rendered to such premises until the security deposit requirements of subsection (c) are met.

   In addition to other remedies provided, the City shall have the right to shut off and discontinue the supply of water or sewer service or both to any premises for the nonpayment of water and/or sewer charges when due as provided in subsection (a) hereof. (Ord. 02-03 Passed4-2-02)

C. If an affidavit notice is properly given pursuant to subsection (b) and is in strict conformity with Public Act 178 of 1939, MCL 123.165(5); MSA 4.2531(5), the City shall render no further water or sewer service to the affected premises until a security deposit in the sum provided by this Section is made as security for the payment of the charges. For a dwelling unit (whether a single-family house or individual apartment) or commercial unit the security deposit required on the filing of the affidavit provided for in subsection (b) shall be Two Hundred Dollars ($200.00) per apartment, or such other amount as may be established by the City Council from time to time by resolution or ordinance, payable in full at the time of filing the affidavit. (Ord. 02-03 Passed4-2-02)

D. Payment by a tenant of a security deposit for water or sewer service does not relieve the tenant of the obligation to pay for water and sewer charges as required by this chapter in the same manner and on the same terms as any other users of City water and sewer services. The turnoff/on fee shall be $75.00 or such other amount as may be established by the City Council from time to time by resolution or ordinance. (Ord. 02-03 Passed4-2-02)

E. If a tenant, or owner, shall fail to pay for water and sewer charges when due or shall fail to pay any security deposit when due, all water services to the affected premises shall be terminated in accordance with this chapter and any deposit paid to the City by a tenant or

landlord under MCL 123.165(5); MSA 5.2531 (5) shall be forfeited to the City and be applied against any unpaid water and sewer charges and against any unpaid turnoff/on fees. (Ord. 02-03 Passed4-2-02)

F. Any landlord or owner who has filed an affidavit pursuant to MCL 123.165(5); MSA 5.2531(5) that a tenant is responsible under the terms of a lease for payment of water or sewer charges or both, shall give twenty (20) days written notice to the City of any cancellation, change in, or termination of the landlord's lease with the tenant. If for whatever reason, the landlord or owner fails to give the required notice or if the affidavit is false or incomplete in any respect, all water and sewer charges that accrue as a result of the landlord's failure to give such notice shall become a lien against the affected premises as provided for herein. (Ord. 02-03 Passed4-2-02)

1040.06 FIRE HYDRANTS; FIRE PROTECTION SYSTEMS

A. For the use of water through fire hydrants and for the availability of such water, the City shall pay, in equal quarterly installments, the sum of sixty dollars ($60.00) per hydrant per year, said payments to be made from funds legally available for such purpose or from the proceeds of taxes which the City shall levy.

City fire hydrants shall be used solely for the suppression of fires within the City, and any non-authorized use of fire hydrants is hereby prohibited. The use of fire protection systems, public or private, for other than fire protection, is prohibited. (Ord. Unno. Passed 7-2-85.)

B. Owners of private fire protection systems, including standpipes, sprinkler systems and other unmetered systems, designed solely for fire suppression inside structures, shall pay a special rate established in accordance with 1040.04 (c). This amount shall be paid with the quarterly bill, if any, or on a quarterly schedule established by the City. This amount is payable whether or not the building is occupied. This amount shall not be payable in the event the City has turned off water service to the building or in the event that the plumbing inside the building has been altered to make the system unusable. (Ord. Unno. Passed 4-3-90.)

1040.07 UNMETERED COMMERCIAL OR INDUSTRIAL USES

The unmetered commercial or industrial use of either sewer or water service (other than for fire protection) is hereby prohibited. (Ord. Unno. Passed 6-15-82.)

1040.08 OPERATING YEAR

The system shall be operated on the basis of an operating year which shall coincide with the City's fiscal year. (Ord. Unno. Passed 2-9-87.)

1040.09 FLUORIDATION OF PUBLIC WATER SUPPLY

The City Manager is hereby directed to provide the means for, and to proceed with the introduction of, fluorines into the public water supply distributed by the City in such quantities as are required to maintain throughout the pipe distribution system a fluorine concentration of approximately one part per million, provided that plans for the necessary equipment,

installation and operation are first approved by the Michigan Department of Health. (Ord. Unno. Passed 7-21-91.)

1040.10 TAMPERING WITH HYDRANTS, STOP COCKS, STOP GATES, ETC.; AUTHORITY OF FIRE CHIEF

No person shall meddle or interfere with any hydrant, stop cock, stop gate or tools or appliances of the City, except by authority of the City Manager, provided, however, that in case of fire, the Chief of the Fire Department, or any person acting under his or her authority, may open or close any hydrant where, in his or her judgment, it may be necessary to do so. (Ord. Unno. Passed 7-21-91.)

1040.11 TAMPERING WITH AND POLLUTING WELLS

No person shall commit any nuisance or deposit any substance or matter or do any other act at, about or near wells or sources of water supply of the City that may tend to make such water impure or unwholesome. (Ord. Unno. Passed 7-21-91.)

1040.12 TAMPERING WITH OR DESTRUCTION OF COMBINED WATER AND SEWER SYSTEM

No person shall deface or injure any building or other improvements, or disturb or injure any lawn, grass plot, flowers, vines, bushes or trees, belonging to the combined water supply and sewage disposal system. (Ord. Unno. Passed 7-21-91.)

1040.99 PENALTY

(EDITOR'S NOTE: See Section 202.99 for general Code penalty if no specific penalty is provided.)

ORDINANCE 14-06

AN ORDINANCE TO AMEND AN ORDINANCE ENTITLED "CHAPTER 1040 – COMBINED WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM", BY REPLACING SECTION 1040.04 – RATES AND FEES, CLARIFYING LANGUAGE IN 1040.05 REGARDING DISCONTINUANCE OF SERVICE, ADDING SECTION 1040.06 – AFFIDAVIT FILED BY LANDLORD; TENANT RESPONSIBILITY TO PAY, ADDING SECTION 1040.07 – FREEZE UP LIST, RUN WATER NOTICE AND CLARIFYING OR CORRECTING LANGUAGE WITHIN CHAPTER 1040 TO THE CODIFIED ORDINANCES OF MANISTEE, MICHIGAN AND TO REPEAL ALL ORDINANCES IN CONFLICT HEREWITH

THE CITY OF MANISTEE ORDAINS:

Section 1.

Chapter 1040
Combined Water Supply and Sewage Disposal System

EDITOR'S NOTE: Provisions relating to bonds issued for the purpose of paying the cost of acquiring, constructing, improving, enlarging and extending the combined water supply and sewage disposal and funds relating thereto, are not codified. Copies of the latest relevant legislation may be obtained from the City Clerk.

1040.01	Definitions	1040.09	Unmetered commercial or industrial use
1040.02	Operation as a single system	1040.10	Operating year
1040.03	Management of System	1040.11	Fluoridation of public water supply
1040.04	Rates and fees	1040.12	Tampering with hydrants, stop cocks, stop gates, etc.; authority of Fire Chief
1040.05	Billing; failure to pay; discontinuance of service; other remedies	1040.13	Tampering with and polluting wells
1040.06	Affidavit filed by landlord; Tenant responsibility to pay	1040.14	Tampering with or destruction of combined water and sewer system
1040.07	Freeze up list, Run Water Notice	1040.15	Prohibition of private wells and septic systems in City

1040.08	Fire hydrants; fire protection systems	1040.99	Penalty

CROSS REFERENCES
Water quality - see Mich. Const., Art. 4, Sec. 52; MCL Secs. 67.38, 323.1 et seq.
Sewers and sewer systems generally - see Mich. Const., Art. 7, Sec. 24; MCL Secs. 46.171 et seq., 67.34, 123.241 et seq., 323.151 et seq., 325.201 et seq.
Water supply generally - see Mich. Const., Art. 7, Sec. 24; MCL Secs. 46.171 et seq., 123.11 et seq., 325.201 et seq., 486.51 et seq., 486.101 et seq.
Council policy re new water and sewer connections - see ADM. 210.03
Department of Public Works - see ADM. Ch. 238
Water Department - see ADM. Ch. 240
Sewer Department - POTW - see ADM. Ch. 242
Water pollution - see GEN. OFF. 670.01, 670.02
Wastewater discharge regulations - see S.U. & P.S. Ch. 1042
Cross connection control - see S.U. & P.S. Ch. 1044

1040.01 DEFINITIONS

As used in this chapter:

A. "Act 94" means Act 94 of the Public Acts of 1933, as amended.

B. "System" means the complete water supply and sewage disposal system of the City, both inside and outside the City, including all plants, works, instrumentalities and properties used or useful in connection with transportation and treatment of sewage, together with improvements and extensions thereto, all facilities used or useful in the supply and distribution of water and all additions, extensions and improvements hereafter acquired. (Ord. Unno. Passed 2-9-87.)

C. “Council” means the City Council for the City of Manistee.

1040.02 OPERATION AS A SINGLE SYSTEM

The existing water supply and sewage disposal system of the City shall remain consolidated and shall continue to be operated as a single combined water supply and sewage disposal system under the provisions of Act 94. (Ord. Unno. Passed 7-16-63.)

1040.03 MANAGEMENT OF SYSTEM

The City may employ such persons in such capacities as it deems advisable to carry on the efficient management and operation of the system. Council may make such rules, orders and regulations as it deems advisable and necessary to assure the efficient management and operation of the system. (Ord. Unno. Passed 2-9-87.)

1040.04 RATES AND FEES

A. Generally. The rates to be charged for water and sewer service furnished by the System shall be set each year by Council in its annual budget, and may be changed during the year by resolution or ordinance.

B. Types of Charges. Charges for water and sewer service shall consist of the following:

Readiness-To-Serve Charge
All customers connected to the City's water and/or sanitary sewer system shall pay a monthly charge to recover a portion of the capacity costs of each respective system. The respective readiness-to-serve charges for water and sewer service shall be adjusted by meter size in recognition of the higher potential demands associated with larger meters.

Volume Rate
All customers connected to the City's water and/or sanitary sewer system shall pay a volume rate for each thousand gallons (or portion thereof) of metered volume to recover the remaining costs of each respective system.

Unmetered Residential Service
The monthly charge for unmetered residential service shall be determined based upon the sum of, i) the readiness to serve charge for a 5/8" meter and, ii) the volume rate multiplied against 6,000 gallons.

C. Annual Adjustment. Each year the respective readiness-to-serve charges and volume rates for water and sewer service shall be increased to an amount determined by Council. At a minimum, the rate increase shall be equal to the inflation rate as established by the Michigan Department of Treasury or its successor, for purposes of determining tax limitations as provided by Act 213 of the Public Acts of 1981, as amended (Truth in Assessing) and Act 5 of the Public Acts of 1982, (Truth in Taxation) or an equivalent standard established by the City Council. The annual rate increase shall be submitted to Council with the budget for the ensuing fiscal year in accordance with Sections 7-3 and 7-4 of the City Charter. The rate increase can be modified by Council resolution as needed.

D. Special and Outside City Rates. For miscellaneous services, a special rate may be established from time to time by the Council. For outside City users in the absence of an agreement stating otherwise, all water and\or sewer services provided outside the City limits shall be billed the prevailing readiness-to-serve charge and volume rates, with an 18% surcharge on water readiness-to-serve charges and volume rates, and 154% surcharge on sewer readiness-to-serve charges and volume rate

E. Water Turn-Off/On Fee. Water supply turn-off and turn-on charges shall be set by Council resolution. (Ord. Unno. Passed 6-1-93.)

F. Tap-In Charge. A tap-in charge shall be established by Council. The tap-in charge shall be established in an amount which shall recover the City's actual cost for time and material associated with the tap-in. (Ord. Unno. Passed 4-3-90.)

G. System Development Charge. Water and sewer system development charges shall be established by Council. These charges are one-time charges paid for by new or redeveloped properties connecting to the City's water and/or sewer systems to cover the proportionate share of the City's cost for the established capital facilities needed to serve new connections for such things as transmission, water supply/treatment, and wastewater treatment/disposal. These charges shall be based upon either the estimated potential demands (if available), or the number and size of meters for each new customer, and shall be due prior to connection to the System.

H. Exterior Water Consumption. Exterior water consumption which does not connect with the sewer system may be billed and metered separately without a sewer consumption or sewer readiness-to-serve charge under rules and regulations approved by the City Council. (Ord. Unno. Passed 2-2-88.)

I. Free Service. No free service or service at less than cost shall be furnished by the system to any person, public or private, or to any public agency or instrumentality.

J. Fixing and Revising Rates; Rate Covenant. The rates charged pursuant to this section are estimated to be sufficient to provide for the payment of the expenses of the administration, operation, maintenance and capital needs of the system as necessary to preserve the system in good repair and working order, and, when taken together with net revenues, to provide an amount equal to the annual principal and interest requirement on all bonds that the water and sewer utility is responsible for as the same become due and payable, the creation and maintenance of the reserves therefor, and all other obligations and expenditures for the system required by law, including this chapter. Notwithstanding 1040.04(C), the rates shall be fixed and revised from time to time as may be necessary to produce these amounts. (Ord. Unno. Passed 2-9-87.)

1040.05 BILLING; FAILURE TO PAY; DISCONTINUANCE OF SERVICE; OTHER REMEDIES

A. All metered customers will be billed monthly. All bills must be paid within fifteen days from the date of the bill. Ten percent (10%) of the amount due will be added to the amount of the bill if payment is not received within fifteen (15) days from the date of the bill. Water and/or sewer services shall be shut off if a bill is not paid within forty-five (45) days of the due date. Water and/or sewer service shut off shall not be turned on again until all sums due and a delinquent reconnection charge are paid in full. (Ord. Unno. Passed 6-1-93; Ord. 98-07 Passed 5-12-98, Ord. 02-03 Passed 4-2-02)

B. The charges for service of the system pursuant to the provisions of Act 94 shall be made a lien on all premises served thereby, except as provided in Section 1040.06, whenever such

charges against the premises shall be delinquent for six (6) months. City officials in charge of the collection of water and sewer charges shall certify the delinquency annually, by May 15th to the tax assessing officer of the City who shall enter the lien on the next tax roll as a charge against such premises. The lien shall be enforced in the same manner as general City taxes. In addition to other remedies provided, the City shall have the right to shut off and discontinue the supply of water or sewer service or both to any premises for the nonpayment of water and/or sewer charges when due as provided in subsection (a) hereof. (Ord. 02-03 Passed 4-2-02)

C. Water and\or sewer service will not be placed in an individual's name until all previous balances due from the individual are paid in full.

1040.06 AFFIDAVIT FILED BY LANDLORD; TENANT RESPONSIBILITY TO PAY

A. If a landlord properly files an affidavit pursuant to MCL 123.161 Et Seq. (Michigan Municipal Water Liens Act) that a tenant is responsible for water and/or sewer charges related to a rental premises, no lien shall attach to the premises served after the filing of the affidavit and security deposit and the water and/or sewer service shall be placed in the name of the tenant. The amount of a security deposit made pursuant to this Section shall be established by City Council pursuant to resolution or ordinance and shall be made at the time of filing of the affidavit.

B. Payment by a tenant of a security deposit for water or sewer service does not relieve the tenant of the obligation to pay for water and sewer charges as required by this chapter in the same manner and on the same terms as any other users of City water and sewer services. (Ord. 02-03 Passed 4-2-02)

C. If a tenant, or owner, shall fail to pay for water and sewer charges when due, all water services to the affected premises shall be terminated in accordance with this chapter and any deposit paid to the City by a tenant or landlord shall be forfeited to the City and be applied against any unpaid water and sewer charges and against any unpaid fees and any remaining security deposit shall be turned over to the party who made the deposit. (Ord. 02-03 Passed 4-2-02)

D. The affidavit process described in this Section, is not available for rental properties with multiple units unless there is a separately metered service for each unit and the unit's shut-off is accessible to the City from the outside of the building.

1040.07 FREEZE UP LIST, RUN WATER NOTICE

A. The City shall maintain a "freeze-up" list of addresses that have water service which have been known to freeze in the past. These customers will be directed to run their water during

the winter months to prevent a freeze-up from happening and their bills will be estimated during that time period and adjusted, if needed, after the run water requirement ends.

B. Any customer on the "freeze-up" list that experiences a frozen water service will be responsible for the entire cost of thawing their line, including reimbursement of any City incurred costs.

C. From time to time, the City may issue a Run Water notice if weather conditions dictate. A run water notice will be published in a newspaper of general circulation in the City and on the City's website, at a minimum. Bills will be estimated during that time period and adjusted, if needed, after the run water requirement ends.

D. Any customer that experiences a frozen water service after a run water notice is issued will be responsible for the entire cost of thawing their line, including reimbursement of any City incurred costs.

1040.08 FIRE HYDRANTS; FIRE PROTECTION SYSTEMS

A. For the use of water through fire hydrants and for the availability of such water, the City shall pay, in equal quarterly installments, the sum of sixty dollars ($60.00) per hydrant, per year, said payments to be made from funds legally available for such purpose or from the proceeds of taxes which the City shall levy.

   City fire hydrants shall be used solely for the suppression of fires within the City, and any non-authorized use of fire hydrants is hereby prohibited. The use of fire protection systems, public or private, for other than fire protection, is prohibited. (Ord. Unno. Passed 7-2-85.)

B. Owners of private fire protection systems, including standpipes, sprinkler systems and other unmetered systems, designed solely for fire suppression inside structures, shall pay a special rate established in accordance with 1040.04(D). This amount is payable whether or not the building is occupied. This amount shall not be payable in the event the City has physically disconnected the building from the water system or in the event that the plumbing inside the building has been legally altered to make the system unusable. (Ord. Unno. Passed 4-3-90.)

1040.09 UNMETERED COMMERCIAL OR INDUSTRIAL USES

The unmetered commercial or industrial use of either sewer or water service (other than for fire protection) is hereby prohibited. (Ord. Unno. Passed 6-15-82.)

1040.10 OPERATING YEAR

The system shall be operated on the basis of an operating year which shall coincide with the City's fiscal year. (Ord. Unno. Passed 2-9-87.)

1040.11 FLUORIDATION OF PUBLIC WATER SUPPLY

The City Manager or designee is hereby directed to provide the means for, and to proceed with the introduction of, fluorines into the public water supply distributed by the City in such quantities as are required to maintain throughout the pipe distribution system a fluorine concentration of approximately one part per million, provided that plans for the necessary equipment, installation and operation are first approved by the Michigan Department of Health. (Ord. Unno. Passed 7-21-91.)

1040.12 TAMPERING WITH HYDRANTS, STOP COCKS, STOP GATES, ETC.; AUTHORITY OF FIRE CHIEF

No person shall meddle or interfere with any hydrant, stop cock, stop gate or tools or appliances of the City, except by authority of the City Manager or designee, provided, however, that in case of fire, the Chief of the Fire Department, or any person acting under his or her authority, may open or close any hydrant where, in his or her judgment, it may be necessary to do so. (Ord. Unno. Passed 7-21-91.)

1040.13 TAMPERING WITH AND POLLUTING WELLS

No person shall commit any nuisance or deposit any substance or matter or do any other act at, about or near wells or sources of water supply of the City that may tend to make such water impure or unwholesome. (Ord. Unno. Passed 7-21-91.)

1040.14 TAMPERING WITH OR DESTRUCTION OF COMBINED WATER AND SEWER SYSTEM

No person shall deface or injure any building or other improvements, or disturb or injure any lawn, grass plot, flowers, vines, bushes or trees, belonging to the combined water supply and sewage disposal system. (Ord. Unno. Passed 7-21-91.)

1040.15 PROHIBITION OF PRIVATE WELLS AND SEPTIC SYSTEMS IN CITY

Private water wells and septic systems are prohibited in the City limits. All users must connect to the public water supply and sanitary sewer unless provided a waiver by the City. Any individual or company using an existing well or septic system for potable water or wastewater disposal must connect to the City water supply or sanitary sewer upon failure, abandonment or substantial repair needed to the existing well or septic system. Wells for non-potable or process water may be allowed upon approval by the City.

1040.99 PENALTY

(EDITOR'S NOTE: See Section 202.99 for general Code penalty if no specific penalty is provided.)

Section 2.

Effective Date; Publication.

This Ordinance shall be effective ten (10) days after its enactment as provided in Section 4-3 of the City of Manistee Charter. The City Clerk shall cause a copy of this Ordinance to be published in a newspaper circulated in the city of Manistee, stating the date of the enactment and effective date of the Ordinance, a brief notice as to the subject matter of the Ordinance and such other facts as the city clerk shall deem pertinent. A copy of the Ordinance shall be made available for public use and inspection at the office of the Manistee City Clerk.

MADE, PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MANISTEE, MANISTEE COUNTY, MICHIGAN, THIS _____ DAY OF _____, 2014.

ENACTMENT DATE: _____

CERTIFICATION

I, Michelle Wright, do hereby certify that I am the duly appointed and acting City Clerk of the City of Manistee and that the foregoing ordinance was adopted by the City of Manistee on the ____ day of _____, 2014.

_____
City Clerk

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