

**POWDERHORN AREA UTILITY DISTRICT
A Municipal Authority
GOGEBIC COUNTY, MICHIGAN**

Sanitary Sewer System Rate Ordinance

AN ORDINANCE TO PROVIDE FOR THE FIXING, COLLECTION, SEGREGATION, AND DISPOSITION OF THE REVENUES OF THE POWDERHORN AREA UTILITY DISTRICT (PAUD) SANITARY SEWER SYSTEM AND CREATING A STATUTORY LIEN ON SAID REVENUES UNDER THE PROVISIONS OF ACT 94, PUBLIC ACTS OF MICHIGAN, 1933 AS AMENDED.

THE POWDERHORN AREA UTILITY DISTRICT
County of Gogebic
State of Michigan
Hereby ordains:

Section 1. Definitions.

1.1 Whenever the words "the system" and "Powderhorn Area Utility district" and "PAUD" are used in this Ordinance, they shall be understood to mean collectively all plants, work, underground, piping, buildings, properties, and instrumentalities, as the same shall from time to time exist, which are used or useful in connection with the collection and treatment of sewage by the Powderhorn Area Utility District.

Section 2. Control of System

2.1 In pursuance of and within the limits of applicable laws, the operation, management, maintenance and repair of the system, including collection and disposition of the revenues thereof, shall be under the supervision and control of the Board of Trustees of the Powderhorn Area Utility District and said Board may employ or contract with such person or persons as it deems advisable to carry on the efficient management and operation of the system. The PAUD Board may make such rules, orders and regulations, as it deems advisable and necessary to assure the efficient management and operation of the system.

Section 3. Rates and Charges

3.1 **The monthly rate for sewer service shall be:**
\$0.091 per square foot of the premises per month.

10% penalty added after due date of bill, additional \$50.00 plus penalty when bill becomes thirty (30) days delinquent.

- 3.2 **Delinquent disconnection: (After 180 days of no payments)**
Disconnect fee to cut and cap services shall be the greater of \$1500.00 or actual cost. Property owner shall be responsible for re-connection by private contractor at property owner's expense.
- 3.3 **Tap fee for new consumer connection to system:**
\$1.65 per square foot of the premises plus \$3.00 per front foot of the lot.
A time lapse factor shall be added to the base tap fee at a rate of 1% per year beginning December 31, 2005. 2% shall be applied for 2006; 3% shall be added for 2007; 4% shall be added for 2008 and so forth.
- 3.4 **Sewer lateral inspection fee:**
\$100.00 per inspection with \$100.00 paid with the mandatory "Sewer Permit" application for service. Sewer lateral installation constructed without a permit or prior to permit approval shall be double the fee (\$200.00).
- 3.5 **Change of ownership fee:** \$25.00
- 3.6 **NSF Check fee:** \$30.00
- Labor charge:** \$50.00/hr. (1 employee). \$80.00/hr. (2 employees)
- 3.7 **After business hours:** Minimum 2 hours: \$75.00/hr. per employee
Holidays and weekends: Minimum 2 hours: \$90.00/hr. per employee
- 3.8 **Request for information fees:**
Copies: \$0.25 each for letter size
\$0.35 each for legal size
Fax: (Letter size only) \$1.00 for first page; \$0.25 for each additional page
Clerical time: \$14.50 per hour – ½ hour minimum
Fees will be invoiced with the requested information and payable upon receipt.
Information request of over 20 pages shall be paid in advance.

Section 4. Billing

- 4.1 Rates, charges and fees authorized by this Ordinance for services furnished by the System shall be billed by the authority on a quarterly basis. All sewer service bills are due and payable within twenty (20) days of the date on the bill; a 10% late fee shall be assessed on the 21st day and compounded quarterly until paid.
- 4.2 Rate payers may, upon approval of the Administrator, pay sewer service bills in monthly installments in advance of the quarterly billing. Advance payments will be credited to the user's account and any balance owed will be billed with the regular quarterly billing.

4.3 Large users (over 3200 square feet) of the System may choose to pay their sewer service bill in **advance** annually with the amount due in full on the first Monday in February, bill will be considered delinquent and late fees assessed on the first Tuesday in February. Application (letter of request) for annual payment shall be made to the Administrator by the first Monday in October each year. Annual billing will be sent the first business day in January, discounts may apply to annual payers.

4.4 In the event a utility bill paid by check, and the check is returned unpaid, a \$30.00 service charge shall be assessed.

Section 5. Delinquent Accounts

5.1 Accounts not paid within twenty (20) days after billing date will be considered delinquent and subject to a ten percent (10%) penalty charge which shall be compounded quarterly until paid. If bills for service of the Powderhorn Area Utility District Sanitary Sewer System shall remain unpaid after thirty (30) days following rendition of the bill, a fee of \$50.00 in addition to the 10% penalty shall be assessed.

5.2 Bills for service that remain unpaid after one hundred eighty (180) days following rendition of the bill shall be determined to be in default and the property shall be disconnected from the system. Property owner shall be assessed the greater of the actual cost of disconnection or \$1500.00. Upon payment in full of all fees, penalties and charges, property owner shall, at his/her sole expense, be responsible for re-connection to the system.

Section 6. New Consumer Connection to System

6.1 A property owner on an existing sanitary sewer main shall prepare an application for service and submit in advance a "tap fee" in the sum of \$1.65 per square foot of the premises plus \$3.00 per front running foot of property. Starting December 2005 and additional fee of 1% per year shall be assessed which will increase 1% each year to a maximum of 40 % in year 2045. The \$100 mandatory inspection shall be paid with the "Sewer Permit" application for service.

6.2 Cost and installation of the sewer lateral service line into the structure from the property line and abandonment of the existing (old) on-site septic system shall be the sole responsibility of the property owner.

Section 7. Change of Ownership / Application for Service

7.1 A "Users Agreement" shall be signed by all property owners requesting sanitary sewer service from PAUD, and approved by the PAUD Board, on all new services, change in ownership of property, or in the service. The administration fee for this service shall be set at \$25.00 per request.

7.2 In the event a property owner leases, sublets, or otherwise allows his dwelling to be occupied by another, the billing for sanitary sewer service shall at all times remain in the property owner of record's name and he/she will be responsible for payment of all charges and fees in connection with the sewer service. However, in a case (Michigan Compiled Law 141.121(3)) when the owner of a premises notifies the PAUD Administrator in writing and provides a copy of the lease agreement of the affected property which states that the tenant is responsible for payment of the sewer service bill and the owner places on deposit with PAUD an amount equal to four (4) times the average quarterly cost for providing sewer service to the premises, then the charges shall not become a lien against the premises after the date of the written notice and receipt of the deposit. The deposit amount shall be maintained at the amount stated above at all times. Should the deposit drop below the stated amount required and is not immediately replenished by the property owner, then Section 9 "Lien Rights" shall become effective against the property.

Section 8. Lien Rights

8.1 Charges for services furnished by the System shall and hereby are recognized and determined to constitute a lien on the premises served pursuant to the provisions of Act 94, Public Acts of Michigan, 1933, as amended (MCL 141.101 et seq.). Except as provided in Section 7.2 of this Ordinance, charges for services delinquent for six (6) months or more shall be certified to the Supervisor and Assessing Officer of the jurisdiction in which the premises is located, annually, on or before September 1, of each year, and entered by that Supervisor/Assessor upon the next tax roll against the premises served, for collection in the same manner as the collection of property taxes, in accordance with the respective agreements between PAUD and the Charter Township of Ironwood and the Township of Bessemer, each dated May 24, 2004, which mandates the Townships to annually purchase delinquent billings and place them as liens against the premises.

Section 9. Fixing and Revising Rates

9.1 The rates hereby fixed are estimated to be sufficient to provide for the payment of the expenses of administration, debt retirement, operation and such expenses for maintenance of said System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for said System as this Ordinance may require. Such rates shall be fixed and revised by resolution of the PAUD Board from time to time as necessary to produce these amounts, and it is hereby covenanted and agreed at all times to fix and maintain such rates for services provided by the Powderhorn Area Utility District Sanitary Sewer System as shall be sufficient to provide for the foregoing.

Section 10. Fiscal Year

10.1 The System shall be operated on the basis of a fiscal year commencing October 1st and ending September 30th next following.

Section 11. Covenants

11.1 The PAUD Board shall maintain the System in good working order and will operate the same efficiently and perform all duties with reference to the System as required by the Constitution and laws of the State of Michigan.

11.2 The PAUD Board shall cause to be maintained and kept proper books of record and accounts separate from all other records and accounts of the System in which shall be made full and correct entries of all transactions relating to the system.

11.3 No later than (3) months after the close of the fiscal year the PAUD Board shall cause to be prepared, a statement, in reasonable detail, showing the cash income and disbursements of the System during the fiscal year, and such other information as is necessary to enable any taxpayer of the District, or user of the System, to be fully informed as to all matters pertaining to the financial operation of the System. The financial statement of the System shall be available at the PAUD business office upon request, at reasonable times, for inspection by any taxpayer of the District, user of the system or anyone in their behalf.

11.4 The PAUD Board shall also have an audit of the books of record performed in accordance with the law.

11.5 The PAUD Board shall maintain and carry insurance on all physical properties of the System, of the kinds and amount normally carried by public utility companies and municipalities engaged in the operation of similar systems.

Section 12. Conflict: Severability

12.1 The ordinance entitled "Sanitary Sewer System Rate Ordinance" adopted by the Board of Trustees of the Powderhorn Area Utility District on September 21, 2004 is hereby repealed. All other ordinances, resolutions and orders or parts of thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed, and each Section of this Ordinance and each subdivision of any section hereof is hereby repealed, and each Section of this Ordinance and each subdivision of any section hereof is hereby declared to be independent, and the finding or holding of any Section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other Section or subdivision of this Ordinance.

Section 13. Publication

13.1 This Ordinance shall be published in full in the *Ironwood Daily Globe*, a newspaper of general circulation in the service area of the Powderhorn Area Utility District, qualified under state law to publish legal notices, and the same such recording authenticated by signatures of the PAUD Chairperson and Secretary.

Section 14. Effective Date

14.1 This Ordinance shall be in full force and effect from and after the date of publication.

This Ordinance has been PASSED and ADOPTED by the Powderhorn Area Utility District Board on December 7, 2006

AYES: Members: Ms. Salmi, Mr. Estola, and Mr. Randall

NAYS: Members: None

I hereby certify that the above Ordinance was adopted by the Board of Trustees of the Powderhorn Area Utility District at a special meeting held on December 7, 2006. Notice of such meeting was posted in the business offices of the Charter Township of Ironwood and the Township of Bessemer on November 27, 2006 and published in the Daily Globe newspaper on December 1-7, 2006. It is further certified that the meeting was held in compliance with P.A. 266 of 1976, being the Open Meetings Act.

Richard Estola, Chairman

Gayla Salmi, Secretary

(Seal)

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