



## CITY COUNCIL ACTION REPORT

May 1, 2007

TO: Phillip L. Nelson, City Manager  
 FROM: John M. Lamerato, Assistant City Manager/Finance & Administration  
 SUBJECT: Amendment to Chapter 20 of the Troy City Code (Water and Sewer Rates)

### Background:

- Attached is an amendment to Chapter 20 of the Troy City Code reflecting the water and sewer rate adjustment discussed during the 2007/08 budget discussions. The increased charges are due to City of Detroit increased rates and the necessity to have sufficient funds to operate and maintain our system.

### Financial Considerations:

- The following water and sewer rates are recommended for City of Troy water bills rendered after July 1, 2007:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Adjustment</u>
Water	\$23.40	\$24.20	\$.80
Sewer	<u>17.45</u>	<u>17.88</u>	<u>.43</u>
	\$40.85	\$42.08	\$1.23

The average water bill for a family of four will increase by approximately \$ 4.79 per quarter.

### Legal Considerations:

- There are no legal considerations associated with this matter.

Policy Considerations:

- The proposed rate increases relate to Goal II “Minimize the cost and increase the efficiency and effectiveness of City government” and Goal V “Maintain relevance of public infrastructure to meet changing public needs”, by providing funding to make improvements to the system without the need to bond and incur interest expense.

Options:

- It is recommended that City Council approve the rates outlined herein and reflected in the amendments to Chapter 20 of the Troy City Code.

## CITY OF TROY

### AN ORDINANCE TO AMEND CHAPTER 20 OF THE CODE OF THE CITY OF TROY

THE CITY OF TROY ORDAINS:

Section 1. Short Title

This Ordinance shall be known and may be cited as an amendment to Chapter 20 of the Code of the City of Troy.

Section 2.

Section 5.01, is hereby amended to read as follows:

5.01 Water Rates. Charges for water service to each premises within the City connected with the water supply system, for each quarterly (3 month) period, shall be ~~\$23.40~~24.20 per 1,000 cubic feet. Minimum quarterly bills shall be ~~\$18.95~~19.60.

Section 3.

Section 5.02, is hereby amended to read as follows:

5.02 Sewer Rates

A. Charges for sewage disposal, operation and maintenance service shall be levied upon all premises having any sewer connection with the public sewers.

Those premises using metered water shall pay ~~\$17.45~~17.88 dollars per 1,000 cubic foot of water consumption for sewage disposal and maintenance charges.

Where there is no water meter the sewage disposal and maintenance charges shall be ~~\$87.25~~89.40.

Water lines used solely for fire protection shall be exempt from sewage disposal and maintenance charges.

B. 1. Rates and charges established are based upon methodology which complies with applicable EPA regulations.

2. Users of the system must be individually notified annually of costs for operation, maintenance, replacement and debt service.

C. A ready to serve charge shall be levied on each quarterly bill in the amount of ~~\$14.13~~14.48 dollars less any amount for current consumption up to the maximum of the ready to serve charge.

Section 4.

Section 5.03, is hereby amended to read as follows:

5.03 Service to City. The City shall pay the same water and sewer rates for service to it as would be payable by a private customer for the same service, except that for water furnished through fire hydrants and for the availability of such water, the City will pay the total sum of \$~~134,000.00~~138,000.00 per year, which charge is hereby determined to be the reasonable cost and value of such service. All such charges for service shall be payable quarterly from the current funds of the City, or from the proceeds of taxes.

Section 5. Repeal

All ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this ordinance full force and effect.

Section 6. Savings

All proceedings pending, and all rights and liabilities existing, acquired or incurred, at the time this Ordinance takes effect, are hereby save. Such proceedings may be consummated under and according to the ordinance in force at the time such proceedings were commenced. This ordinance shall not be construed to alter, affect, or abate any pending prosecution, or prevent prosecution hereafter instituted under any ordinance specifically or impliedly repealed or amended by this ordinance adopting this penal regulation, for offenses committed prior to the effective date of this ordinance; and new prosecutions may be instituted and all prosecutions pending at the effective date of this ordinance may be continued, for offenses committed prior to the effective date of this ordinance, under and in accordance with the provisions of any ordinance in force at the time of the commission of such offense.

Section 7. Severability Clause

Should any work, phrase, sentence, paragraph or section of this Ordinance be held invalid or unconstitutional, the remaining provision of this ordinance shall remain in full force and effect.

Section 8.

This Ordinance shall become effective ten (10) days from the date hereof or upon publication, whichever shall later occur.

This Ordinance is enacted by the Council of the City of Troy, Oakland County, Michigan, at a Regular meeting of the City Council held at City Hall, 500 W. Big Beaver, Troy, Michigan, on Monday, the 14<sup>th</sup> day of May, 2007.

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Louise E. Schilling, Mayor

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Tonni L. Bartholomew, City Clerk