



CITY COUNCIL AGENDA ITEM

Date: May 20, 2013

To: Brian Kischnick, City Manager

From: Tom Darling, Director of Financial Services
 Timothy Richnak, Public Works Director
 Richard Shepler, Water and Sewer Superintendent

Subject: Amendment to Chapter 20 and Proposed Water Connection Fees

History A

Chapter 20 Water and Sewer Rates are reviewed annually. This chapter contains water and sewer rates and fees.

The current water rate is set at \$30.35 per 1,000 cubic feet of water and the current sewer rate is set at \$24.80 per 1,000 cubic feet of water consumption. The rates for fiscal year 2013/14 are proposed to remain unchanged at the current rate.

The current water connection fees have been in place since 2008 with labor and material costs remaining consistent over this period. In the 111th Congress (2009-2010) S.3874 – Reduction of lead in Drinking Water Act was passed that provides pipe, pipe fittings, plumbing fittings, or fixtures shall be “lead free”. Uses of these lead free materials are required as of January 2014.

As a result material cost has increased considerable. Chapter 20, Section 4 Water Connection Fee states that “Such fees shall not be less than the cost of materials, installation and overhead attributable to the particular service. “ The proposed Water Connection Fees – Effective July 1, 2013 will reestablish these fees at not less than the costs of materials, installation and overhead.

The City Council establishes the rate and fee schedule by resolution.

History B

In Chapter 20, Section 6 Collection it states that “Where the water service to any premises is turned off to enforce the payment of water service charges or sewage disposal charges, the water service shall not be resumed until delinquent charges have been paid and a deposit as in the case of tenants is made, and there shall be a water turn-on charge of Twenty-Five (\$25.00) Dollars.”

The \$25.00 fee is not consistent with the current water turn off/on Service Charge Fee of \$50. To establish consistency and in Section 6 Collection it is proposed that this sentence be restated replacing “there shall be water turn on charge of Twenty-Five (\$25.00) Dollars” with “there shall be assessed a water turn off/on Service Charge Fee.



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Financial

The proposed water connection fee schedule will re-establish the cost not less than the cost of materials, installation and overhead.

The change to Chapter 20, Section 6 Collection in addition to establishing consistency re-establishes the cost not less than the cost of materials, installation and overhead.

Recommendation A

City Management and the Public Works Department recommend that the Troy City Council approve by resolution the following water connection and service fee schedule as proposed by staff.

Proposed Water Connection Fees – Effective July 1, 2013

Water Service Meter Size	Labor, Equip, Materials	MTR Install Service Charge	Construction Water	Inspection Fee	Sub Total	Meter + MIU Cost	Total
3/4" Service (5/8" MTR)	Existing SVC Only	\$50.00	\$35.00	\$35.00	\$120.00	\$164.73	\$284.73
1" Service (3/4" MTR)	\$1,477.00	\$50.00	\$35.00	\$35.00	\$1,597.00	\$196.35	\$1,793.35
1-1/2" Service (1" MTR)	\$1,769.00	\$50.00	\$35.00	\$35.00	\$1,889.00	\$235.73	\$2,124.73
2" Service (1-1/2" MTR)	\$2,391.00	\$50.00	\$35.00	\$35.00	\$2,511.00	\$413.80	\$2,924.80
2" Lawn Sprinkler (2D MTR)	\$2,391.00	\$50.00	\$0.00	\$35.00	\$2,476.00	\$528.15	\$3,004.15
3" Service (2" MTR)	*	\$50.00	\$35.00	\$35.00	\$120.00	\$1,481.55	\$1,601.55
4" Service (3" MTR)	*	\$50.00	\$35.00	\$35.00	\$120.00	\$1,835.40	\$1,955.40
6" Service (4" MTR)	*	\$50.00	\$35.00	\$35.00	\$120.00	\$2,615.55	\$2,735.55
8" Service (6" MTR)	*	\$50.00	\$35.00	\$35.00	\$120.00	\$3,329.45**	\$3,449.45

D= Disc

* Contractor Performs Tap

**Variable Dependant Upon Current Market Rate

Recommendation B

City Management and the Public Works Department request that the Troy City Council pass the proposed Chapter 20 ordinance amendment.

(As Needed)

City Attorney's Review as to Form and Legality

Lori Grigg Bluhm, City Attorney

Date

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, Water and Sewer Rates of the Code of the City of Troy.

Section 2. Amendment

Section 6 – Collection, shall be amended as follows:

6. Collection. The Director is hereby authorized to enforce the payment of charges for water service to any premises by discontinuing the water service to such premises and the payment of charges for sewage disposal service to any premises may be enforced by discontinuing either the water service or the sewage disposal service to such premises, or both, and an action of assumpsit may be instituted by the City against the customer. The charges for water service and sewage disposal service which, under the provisions of Act 94, Public Acts of 1933 of the State of Michigan, as amended, are made a lien on the premises to which furnished, are hereby recognized to constitute such lien; and the City Treasurer shall, annually, on April 1, certify all unpaid charges for such services furnished to any premises which, on the 31st day of March preceding, have remained unpaid for a period of six (6) months, to the City Assessor who shall place the same on the next tax roll of the City. Such charges so assessed shall be collected in the same manner as general City Taxes. In cases where the City is properly notified in accordance with said Act 94 of 1933, that a tenant is responsible for water or sewage disposal service charges, no such service shall be commenced or continued to such premises until there has been deposited with the City Treasurer, a sum sufficient to cover three (3) times the average quarterly bill for such premises as estimated by the Director. Where the water service to any premises is turned off to enforce the payment of water service charges or sewage disposal service charges, the water service shall not be resumed until all delinquent charges have been paid ~~and~~ ~~or in the case where tenants are responsible for the bill, as set forth above, the required deposit a deposit as in the case of tenants~~ is made, and ~~there shall be a water turn on charge of Twenty-Five (\$25.00) Dollars~~ there shall be assessed a water turn off - on service charge fee. In any other case where, in the discretion of the City Treasurer, the collection of charges for water or sewage disposal service may be difficult or uncertain, he may require a similar deposit. Such deposits may be applied against any delinquent water or sewage disposal service charges and the application thereof shall not affect the right of the Treasurer or Director to turn off the water service and/or sewer service, to any premises for any delinquency thereby satisfied. No such deposit shall bear interest and such deposit, or any remaining balance thereof, shall be returned to the customer making the same when he shall discontinue receiving water and sewage disposal service or, except as to tenants at to whom notice of responsibility for such charges has been filed with the City, when any eight (8) successive quarterly bills shall have been paid by said customer with no delinquency.

Section 3. 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 4. Savings

All proceedings pending, and all rights and liabilities existing, acquired or incurred, at the time this Ordinance takes effect, are hereby saved. 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 5. Severability Clause

Should any word, 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 6. Effective Date

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, MI, on Monday, May 20, 2013.

Dane M. Slater, Mayor

M. Aileen Bittner, CMC
City Clerk