

SIMS TOWNSHIP  
ORDINANCE No. 36  
WATER USE AND RATE ORDINANCE

THE TOWNSHIP OF SIMS ORDAINS:

AN ORDINANCE TO PROMOTE THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE CITIZENS OF SIMS TOWNSHIP IN THE OPERATION OF THE SIMS TOWNSHIP WATER SUPPLY SYSTEM ON A PUBLIC UTILITY BASIS UNDER THE PROVISIONS OF ACT 94 OF THE PUBLIC ACTS OF 1933, AS AMENDED, AND TO PRESCRIBE THE RATES AND FEES FOR THE USE OF THESE FACILITIES SUFFICIENT TO PAY FOR COSTS OF OPERATION, MAINTENANCE, REPAIR, AND PAYMENT OF PRINCIPAL AND INTEREST ON BONDS ISSUED TO FINANCE THE SYSTEM, AND TO OTHERWISE PROVIDE FOR OTHER MATTERS PERTAINING TO THIS SYSTEM.

SECTION 1 - TITLE

This Ordinance shall be known as the Sims Township Water Use and Rate Ordinance.

SECTION 2- PURPOSE

The purpose of the Ordinance is to promote the public health, safety, and welfare of the citizens of Sims Township, by the operation of the Sims Township Water Supply System on a public utility basis under the provisions of Act 94 of the Public Acts of 1933, as amended; to establish standards, rules, and regulations regarding the use of that system; to provide for the rates and fees for the use of and service by the system; and to otherwise provide for other matters pertaining to that System (the Sims Township Water System is part of the Sims Whitney Utilities Authority).

SECTION 3 - FINDINGS

- A. Potable Water. The Township Board finds that the businesses, industries, governmental and charitable agencies, and residents of the Township need to have potable water and otherwise usable water.
  
- B. Method of Measuring Use. Based on advice of its staff, the Township Board finds that the most precise method of measuring use of water service provided by the Township Water Supply System to any user is a meter installed and controlled by the Township.

- C. Continuation of Service. The Township Board finds that in order to provide and continue to provide clean potable and other usable water to all users of the System, in quantities necessary for all varieties of use, it is necessary from time to time to install improvements, enlargements, extensions, and repairs to the System.
- D. Purpose of Charges. The charges and fees for the use of and connection to the System are hereby established for the purpose of recovering the cost of construction, reconstruction, maintenance, repair, and operation of the System, and to comply with the Federal and State Safe Drinking Water Acts and related regulations, to provide for the payment of principal and interest on any bonds authorized to be issued as and when the same become due and payable, to create a bond account therefore and to provide an account for reasonable and necessary improvements to the System. Such charges and fees shall be made against all users of the System in a fair and equitable manner based on the level of service provided.
- E. Proportionality, Fairness, and Benefits of Charges, Rates, and Fees. The Township Board finds that the fairest and most reasonable method of providing for the operation, maintenance, repair, replacement, and improvement of the System is to charge each user, based in all cases on amount of use, for the costs of (a) retiring debt secured by the net revenues of the System issued to pay for improvement paid for and budgeted as part of the annual costs of the System; (b) ongoing repair, replacement, and improvement paid for and budgeted as part of the annual costs of the System; and (c) operation, administration, and maintenance costs of the System.
- F. Water Service Charges. The Township Board finds that to ensure the stability and viability of the System for the benefit of its users, the fairest and most accurate way to apportion the costs of operation, maintenance, replacement, and improvement of the water service provided by the System is to charge each user a (a) consumption charge, for actual water usage measured by water meters at rates the Township Board sets by resolution; (b) a ready to serve charge based on meter size at rates the Township Board sets by resolution; and (c) such other fees and costs for services as authorized by this Ordinance.
- G. Useful Life of Improvements. The Township Board finds that any improvements to or capital expenditures for the System did not, at the time such improvements were constructed and financed, have an expected useful or design life that would exceed the term of the respective bonds issued to finance such improvements or capital expenditure and paid for by rates and charges.

## SECTION 4 - DEFINITIONS

- A. For the purpose of this Ordinance, the following words and phrases have the meanings respectively set forth below, unless the context in which the words and phrases are used specifically indicates otherwise.
1. “AWWA” means American Water Works Association.
  2. “Authority” means the Sims Whitney Utilities Authority. The Authority is designated by the Township to Supervise the Operation of the Sims Township Water System.
  3. “Bonds” means those bonds that, at anytime, are issued by or on behalf of the Township for the purpose of financing improvements to the System, secured by or payable from the net revenues of the System.
  4. “Bond Account” means the account within the System Fund established on the books and accounts of the Township on behalf of the System from which the Township shall pay principal and interest on all bonds of the Township secured by a lien on the net revenues of the System.
  5. “Bond Reserve Account” means the separate account in the Bond and Interest Redemption Account required to be established and maintained by the Township on behalf of the System in accordance with the terms and conditions of any bonds the Township issues that are secured by the net revenues of the System.
  6. “Capital Expenses” includes (a) normal annual replacement of existing System facilities, (b) normal annual extensions of and improvements to the System; and (c) major capital replacements and improvements to the System.
  7. “Commercial User” means any user of the System other than a residential user of buildings used primarily as a domicile.
  8. “Consumption Charge” means a variable unit charge payable by a user, based on the user actual water consumption as determined in this Ordinance, also commonly referred to as water usage charge.
  9. “Consumer” means the person or legal entity served by or using water supplied by the Township.
  10. “Consumer’s Installation” means all pipes, valves, plumbing, and contrivances of every kind and nature used in connection with, or forming a part of, the consumer’s installation for using water for any

purpose, connected directly or indirectly with the corporation stop or meter pit.

11. “Corporation Stop” means a valve which is inserted into the main for the connection of the water supply service pipes in sizes up to and including two (2) inches in diameter.
12. “Cross Connection” means any physical connection or arrangement of piping or appurtenances through which water of questionable quality, wastes, or other contaminants could possibly flow back into the Water Distribution System because of a reversal of flow. It also means any physical connection between the System and any waste pipe, soil pipe, drain, or any other unapproved source or system, and is any potable water supply outlet that is submerged or can be submerged in wastewater and/or any other source of contamination.
13. “Curb Box” means a box of metal housing which encloses, protects and provides access to the curb stop.
14. “Curb Stop” means a valve for insertion in the service pipes, in size of five-eighths (5/8) inch to two (2) inches in diameter, inclusive, at or near the curb line.
15. “Debt Service” means the principal and interest payments on any outstanding bonds of the System, including mandatory redemption requirements, mandatory deposits into the Bond Account (if any), plus the amount necessary to meet any coverage requirements then in effect, and any amounts necessary and permitted to pay debt service on any general obligation bonds of the Township incurred for System purposes.
16. “Department” means the division of water distribution of the Township of Sims.
17. “General Obligation Debt Account” means the separate account established from time to time by the Township on behalf of the System to pay debt service on presently existing or future general obligation bond issues of the Township or presently existing or future general obligations or contractual obligations of the Township incurred or to be incurred for System expenses.
18. “Inspector” means the Arenac County Plumbing inspector, or his designee, or the employees of the Sims Whitney Utilities Authority.
19. “Lot” means a parcel of land occupied or intended to be occupied by a main building. A lot may or may not be specifically designated as such on public records.

20. “Meter Pit” means any pit for the housing of a water meter.
21. “Operation and maintenance expenses” includes, but is not limited to, the Township’s proportionate share of salaries, wages and fringe benefits of the System employees, purchased power, purchased services, chemicals, other materials and supplies, small equipment that does not extend the useful life of the major facilities of the System, and the general overhead of Township administration and support services provided by the Township employees other than System employees.
22. “Operation and Maintenance Activity Account” means the account within the System Fund established by the Township on behalf of the System for purposes of paying the expenses of administration and operation of the System and current expenses for the maintenance of the System.
23. “Permittee” means a consumer or his agent receiving a permit from Arenac County allowing a connection to be made to the water system.
24. “Person” means any individual, firm, partnership, association, public or private corporation or public agency or instrumentality or any other entity receiving water service.
25. “Premises” means each lot, parcel of land or building, or any portion thereof, occupied or used for a separate purpose or by a separate family or tenants, having any connection to the Water System.
26. “Ready to Serve Charge” means the charge calculated on the basis of meter size in accordance with this Ordinance.
27. “Replacement” means the obtaining and installing of any equipment, accessories, and appurtenances that are necessary during the service life of the System to maintain the capacity and performance to which the System was designed and constructed and to preserve its financial integrity.
28. “Replacement and Improvement Account” means the account within the System Fund established on the books and accounts of the Township on behalf of the System from which the Township shall pay the costs of making repairs, replacements, improvements, or enlargements to the System.
29. “Reserve amount” means the amount required to be held in the Bond Account in accordance with any ordinances pertaining to such

outstanding bonds secured by or payable from the revenues of the System.

30. “Revenues” and “net revenues” as used in this Ordinance shall be understood to have the meanings as defined in Section 3, Act 94, Public Acts of Michigan, 1933, as amended.
31. “System Equity Charge” means the access fee charged to premises seeking access to the System after the first year of operation for newly established districts or after January 1, 2013 for existing districts, as further described in this Ordinance.
32. “System Fund” means the enterprise fund established and on the books an accounts of the Township on behalf of the System, as described in this Ordinance.
33. “System” means the Water System.
34. “Tap” means the drilling and threading of an opening in a main for insertion of a corporation stop.
35. “Township” means the Township of Sims, Michigan, a general law Township, and any agent thereof.
36. “Township Board” means the governing body of the Township of Sims.
37. “Water Connection” means that part of the Water Distribution System connecting the water main to a point terminating at a meter pit or vault, or corporation stop.
38. “Water Service Pipe” means that pipe connecting the water main with the premises served. This includes the connection to the water main or the corporation stop, the curb stop, and the valve on the inlet side of the meter, and meter pit.
39. “Water Main” means that part of the Water System located within the easement lines or streets designed to supply more than one (1) water connection.
40. “Water System” means the complete facilities of the Township’s Water Supply and Distribution System, and includes all water storage facilities, water mains and transmission lines (including all appurtenances thereto), and all extensions and improvements located within Sims Township, which may hereafter be acquired or constructed on behalf of current and future users of the System. It shall also consist of all storage facilities, mains and other facilities and appurtenances used or useful in the

delivery of potable water to all Sims Township users of the System, including all easements, rights of way, and land for such easements and rights of way. The Water System may be comprised of separate facilities located in separate water supply districts, and may also be a portion of the Sims Whitney distribution system.

#### SECTION 5- PROVISIONS DEEMED INCORPORATED IN ALL CONTRACTS

- A. Contract for service. All provisions and sections of this Ordinance shall be considered a part of the contract with every person that is supplied with water through the Water System and every person by taking water shall be considered to expressly consent to be bound hereby, and whenever any provision or section of this Ordinance is violated, the water may be cut off from the building or place of violation at the discretion of the Township Board and shall not be turned on again except on correction of the violation and payment of the expenses of shutting off and turning on, as provided in this Ordinance.
- B. Hold Harmless Clause. The consumer shall indemnify, hold harmless, and defend the Township against all claims, demands, costs, or expenses for loss damage or injury to persons or property that in any manner (directly or indirectly), allegedly grew out of the transmission and use of water by the consumer from water service pipes installed by the consumers on the consumer's premises.

#### SECTION 6 - ADMINISTRATION AND MANAGEMENT

- A. Establishment of a Public Utility. Based on the above findings in this Ordinance, for the purposes set forth herein, and pursuant to the authority granted to the Township under Act 94 of the Public Acts of 1933, as amended, now MCL 141.101 et seq., the Township hereby determines it to be desirable and necessary for the public health, safety and welfare of the Township that the Township's Water System be operated on a public utility rate basis.
- B. Supervision and Control. The operation and management of the Water System shall be under the immediate supervision and control of the Township Board, which may delegate operational responsibilities to the Sims Whitney Utilities Authority.
- C. Rights. The Township has the exclusive right to establish, maintain, and collect rates and charges for water supply service from the Water System in the Township. The Township Board makes such rules orders or regulations as it deems advisable and necessary to 'assure' the efficient management and operation of the Water System.

- D. The Township may employ or contract such person or persons in such capacity or capacities as it deems advisable to carry out the efficient management and operation of the system.
- E. Compliance with State and Federal Standards and Regulations. Standards and regulations established in this Ordinance or pursuant hereto are deemed to be the minimum standards consistent with preserving the public health, safety, and welfare, and are necessary to fulfill the obligations herein regarding state and federal rules and regulations adopted pursuant thereto.

## SECTION 7 - FISCAL YEAR, RECORDS, FUNDS, AND ACCOUNTS

- A. Fiscal year. The Water System's operation shall be based on operating fiscal year starting April 1 of each year and ending on March 31 of the following year.
- B. Records and accounts. The Township shall maintain the System Fund and all accounts and funds of the Water System as an enterprise fund within the books and accounts of the Township.
  - 1. The System Fund shall be used to account for the operation of the Water System, the construction and acquisition of additions and improvements to the System, and contributions toward the payment of interest and principal on general obligation bonds issued by or on behalf of the Township to facilitate financing construction projects undertaken.
  - 2. The Township shall cause an annual audit of such books and records and accounts of the preceding operating year to be made by a recognized independent certified public accountant and will make such audit available to the public upon proper request.
- C. Establishment and maintenance of separate funds and accounts in the System Fund. The Township shall establish, maintain, and use the following funds and accounts within the System Fund:
  - 1. Operation and Maintenance Activity Account. The Operation and Maintenance Account shall be of an amount sufficient to provide for the payment of the expenses for the maintenance of the System as may be needed to preserve the System in good repair and working order.
  - 2. Bond Account; Bond Reserve Account.
    - a. Monies from taxes for assessments are directly deposited into the Bond Account. In addition, if required by any bond ordinance, there shall be set aside the amounts required to establish and maintain the Bond Reserve Account. Money in the Bond Account shall be used exclusively for payment of the principal of, redemption premiums, if any, and interest on the bonds as they



become due. Money in the Bond Reserve Account shall be used solely for the payment of the principal of, redemption premiums, if any, and interest on the bonds as to which there would otherwise be a default.

- b. If at any time it is necessary to use money credited to the Bond Reserve Account for such payment, then the Township shall replace the money used from the net revenues next received that are not needed for current principal and interest requirements, until the amount on deposit equals the reserve amount.
3. Replacement and Improvement Account.
    - a. Recognizing the necessity to maintain a working System able to provide potable water in the amounts and at the times demanded by the users of the System, the Township has adopted a policy that it shall maintain the revenues of the System on a utility basis thereby enabling the Township to retain a reasonable percentage of the revenues of the System to meet necessary repairs and replacements. Thus, out of the revenues and moneys of the System remaining in the Operation and Maintenance Account, and the Bond Account (including the Bond Reserve Account), the Township Treasurer shall deposit such additional funds into the Replacement and Improvement Account in such amounts as the Township Board shall determine advisable, not to exceed the amounts budgeted for such purpose.
    - b. The money in the Replacement and Improvement Account shall be used solely for the purpose of making repairs, replacements, and any improvements, or enlargements of the System necessary to deliver potable water to the users of the System, including any buildings or structures related to the System. If at any time it shall be necessary to use the money in the Replacement and Improvement Account for the purpose for which it was established, the Township Treasurer shall replace those amounts from any money in the Operation and Maintenance Account, or the Bond Account (including the Bond Reserve Account).
  4. General Obligation Debt Account: Recognizing that bonds secured solely by the revenues of the system may not be as marketable as bonds secured by the general funds of the Township, the Township may issue its general obligation bonds or contractual obligations to achieve a lower interest rate on behalf of the System and the users of the System. Because the Township's policy is to operate the System solely from revenues from the System, the Township shall establish a general obligation debt account for bonds or contractual obligations of the Township issued on behalf of the System. Out of the remaining revenues in the Operation and Maintenance Activity Account as needed, the Township Treasurer shall credit to the General Obligation Debt Account

such sums as necessary to pay debt service on outstanding general obligation bonds or contractual obligations of the Township issued or incurred by the Township for System purposes.

- D. Surplus revenues. All money remaining in the Operation and Maintenance Activity Account after satisfying all of the requirements of this Section may, at the Township Board's option, be used for any purpose relating to the System, including credit or transfer to the Replacement and Improvement Account or the General Obligation Debt Account, or for the purchase of bonds on the open market at not more than the fair market value thereof, or for the redemption of bonds before maturity, or as a credit to the revenue needed for the next succeeding fiscal year.
- E. Priority of funds. If the money in the Operation and Maintenance Activity Account is insufficient to provide for the current requirements of the Bond Account (including the Bond Reserve Account), any money or securities in other accounts of the System (except the proceeds of the sale of bonds), shall be credited or transferred, first, to the Operation and Maintenance Activity Account, and second to the Bond Account (including the Bond Reserve Account).
- F. Depository. Money credited to the several funds and accounts of the System, except money in the Bond Account (including the Bond Reserve Account) may be kept in one or more bank accounts at a bank designed by resolution of the Township Board, and, if kept in one bank account, shall be allocated on the books and records of the Township in a manner and at the times provided in this Section.
- G. Deficiencies in Cash Accounts. If the money in the Operation and Maintenance Activity Account is insufficient to provide the current requirements of the operation and maintenance of the System, the Township may transfer money or securities from any other refund or account to the System to the extent of the deficiency.
- H. Insurance. The Township must maintain and carry insurance on all physical properties of the System, of a kind and in the amounts normally carried by public utility companies and municipalities engaged in the operation of water supply systems. All money received from losses under such insurance policy must be applied solely to the replacement and restoration of the damaged or destroyed property. Proceeds of System Equity Charge. The Township shall deposit the proceeds of the System Equity Charge into the Operation and Maintenance Activity Account.
- I. Investments. Moneys in the funds and accounts established by this Ordinance may be invested by the Township in any investments permitted by law. If the moneys invested are kept in one account, as provided in subsection (F) of this

Section, then the monies shall be allocated among the several funds on the books and records of the Township in the manner and at the times provided in this Ordinance. Investment of moneys in the Bond Account or the General Obligation Debt Account being accumulated for payment of the next maturing principal or interest payment of Bonds shall be limited to obligations bearing maturity dates prior to the date of the next maturing principal or interest payment on the Bonds. In the event investments are made, any securities representing the same shall be kept on deposit with the bank or trust company having on deposit the fund or funds or account from which the purchase was made. Gains realized or interest income earned on investment of funds in the Operation and Maintenance Activity Fund, and the Improvement Fund shall be deposited in or credited to the Operation and Maintenance Activity Fund at the end of each fiscal year. Gains realized on interest income earned on investment of moneys in the Bond Revenue Fund (including income derived from any bond reserve account which may be established on a future date) or the General Obligation Debt Account shall be credited as received to such Fund, provided that any bond reserve account therein is fully funded.

#### SECTION 8 - RESTRICTING WATER USE

- A. General Regulation. The Township Board may regulate, limit, or prohibit the use by a consumer of Township supplied water if it is necessary for the health, safety, and welfare of the public including restricting the amount of water that would be available to a consumer because of water shortage emergencies. Such regulations may limit use of water by the consumer to the extent deemed necessary to insure an adequate water supply for the essential needs and for fire fighting.
- B. Emergency Water Shortage. The Township Board, or its designee, may, during such times of water shortage emergency, direct that all outdoor water use activities be banned and other measures be taken or restrictions be observed by users of the public water supply system when deemed necessary to protect the health, safety and welfare and, when published, such measures and restriction shall be followed by users of the public water supply system.

#### SECTION 9- TOWNSHIP LIABILITY EXEMPTION

- A. Interruptions. The Township shall not be responsible or liable for injuries or damages arising out of interruptions of water service that occurred due to natural calamities, equipment failures, or actions by users of the System. It shall be the responsibility of all persons with connected equipment to keep that equipment in good working order. No claim or cause of action may be asserted against the Township by reason of the breaking away of any pipe, valves, or for any other interruption of the water supply.

- B. Expenses. The Township shall not be liable for any expense incurred by a permittee in locating mains, services, curb stops, and water records.

#### SECTION 10 - ACCESS

- A. Inspection. The Township (and other duly authorized representative of the Township or the Authority) bearing proper credentials and identification shall be permitted at all reasonable hours to enter upon any properties served by the Water System at reasonable times for the purpose of inspection, observation, measurement, sampling and testing to determine compliance with the provisions of this Ordinance. The fact that the owner or occupant of such premises accepts and uses water from the Water System under this Ordinance shall constitute a consent to the making of such inspections, including allowing entrance upon such property at reasonable times to make inspections.
- B. Meter Reader Access. Any duly authorized agent or employee of the Authority shall have access to the consumers premises at all reasonable hours for the purpose of reading meters, inspections, doing repairs or installing or removing any or all Township owned apparatus used for providing service to the consumer.

#### SECTION 11 - USE OF THE SYSTEM

- A. Consumers Use of the Water System. Any person owning property within a water supply district established by the Township and conforming to the standards, rules, and regulations established in or under terms of this Ordinance shall be permitted to receive water from the Water System provided necessary water supply lines are in existence and abutting that person's property.
- B. Turning on and Turning Off Water Service. No person other than an authorized employee of the Township or the Authority may turn on or turn off any water service at the curb stop. Water service shall not be turned on unless all charges, fees, etc. have been paid, as provided in this Ordinance and resolutions adopted pursuant hereto.
- C. Turning Off Service.
  - 1. The Township or Authority reserves the right, after due notice to the consumer, to terminate service to a consumer (a) if payment for water supply has not been timely received in accordance with the payment schedule set by the Township or Authority, or (b) due to a violation of the Ordinance or any rules and regulations adopted pursuant thereto,
  - 2. Notwithstanding the above, the Township or Authority may shut off the water in any main to make repairs or extensions, or for any other necessary purpose at any time without notice to consumers.

- D. The consumer shall maintain all service pipes free from leaks at all times. Whenever a leak appears in a consumer's installation, and that leak allows water to escape without registering upon the meter, the Township shall give the consumer verbal or written notice and the consumer shall immediately upon a major leak proceed to repair such service pipe. For a minor leak, if such repairs have not been completed within 48 (forty-eight) hours after notification. The Township may stop the service by shutting off the water at the curb stop. The costs incurred by the Township for shutting off such service shall be paid by the consumer or by the owner of the property before service is restored. If, in the determination of the Township, any leak on the consumer's installation is of such nature that it endangers public safety or constitutes a nuisance or a source of waste, the Township may shut off or stop such service until such leak is repaired.
- E. Change of Consumer. When the premises are to be vacated or there is a change of owner, occupant, or agent, prompt notice shall be given to the Township Water Clerk. The consumer may discontinue service by giving at least twenty-four (24) hours notice to the Township Water Clerk during its regular office hours.
- F. Outside Service Connections. Water main extensions and domestic water connections to premises outside of water districts are prohibited, except where specifically approved by the Township Board.
- G. Water Extensions. The total expense of extending water mains shall be borne by the benefitted property owner in accordance with provisions of a contract or by special assessments levied by the Township in accordance with state law. The Township Board reserves the right to fund water system improvements.
- H. Connection Permits Required; Applications; Deposits; Application Contents.
1. Application. Any person desiring to connect to the Water System must file a written application to do so and submit it to the Township Water Clerk, along with plans and specifications as required by the Township detailing the proposed meter, lines, valves, sprinklers, and attachments.
    - a. The application shall contain the following: property address (house number and street name), parcel number, applicant name, property owner name, size of the service pipe required by the consumer for the connection, and any other pertinent information which may be required by the Township or Authority.
    - b. An application must be made and approval obtained from the Township at least seventy two (72) hours before the time a connection is to be made.
    - c. An application submitted by a residential or commercial builder or developer may be approved, provided it meets all other

requirements in this Ordinance and is accompanied by written evidence that the prospective lessee or the real property owner consents in writing to the builder applying for a connection permit.

- d. A plumbing permit from the County is required and shall be provided to the Township prior to application approval.
2. **Permit Required.** No person in the Township may connect to the Water System until the proposed connection has been approved by the Township or its designated representative, a connection permit has been granted, and all charges, rates, and fees as set forth in this Ordinance or by Resolution have been paid. Upon all of the above, the water meter is to be installed and connections are to be made in accordance with the applicable building code and regulations in this Ordinance.
  3. No person, other than Township or Authority agents or employees may connect, tap, change, obstruct, interfere with, or in any way disturb the Water System or its water mains, hydrants or appurtenances. No person may uncover, make any connections with or opening into, use, alter, or disturb any public water main or appurtenance thereto on the connection system between the public main and an individual structure, including the structure's meter, without first obtaining a written permit from the Township.
  4. All connections on any premises to an active public water supply, including connections to the public main, pipelines to the shutoff valve at the property line, the shutoff valve, and the meter, shall be made by the Township, Authority, or their designee.
  5. A Township or Authority representative must install the meter and turn on the supply when all plumbing is in place and tested. The meter installation cost and initial turn on fee are included in the Connection Fee. When a water connection is made at a location where a water service line was not installed as part of a special assessment project, the property owner will also be responsible for the cost of tapping the water main, and installing the service lead, meter pit, curb stop, and curb box.
  6. **Expenses of Installation.** The applicant shall bear the cost of water pipe and meter installation, including pit and appurtenances.
- I. **Use on One Connection; Limitation.**
1. Unless written approval is granted by the Township, separate premises shall have separate curb stops, service pipe installations, and shall be separately metered.

2. Whenever water is to be supplied to more than one (1) consumer located in a single building and supplied through one (1) service, the property owner shall be responsible for the payment of water bills.
3. In no event shall a consumer extend service pipes or plumbing across any public way, or to an adjacent property in order to furnish service thereto, even though such adjacent property be owned by him.

J. Private Wells

1. Private wells are allowed for use in the Township as long as the plumbing systems are completely separate systems from the public water system with no possibility of cross connection, and as inspected and approved by the County.

K. System Prohibitions. No person in the Township shall:

1. Willfully, negligently, or maliciously break, damage, destroy, uncover, deface or tamper with or alter, any structure, lock out device, property, appurtenance, equipment or any other item which is a part of the Water System.
2. Remove any water meter, water pipe, other water equipment or tools.
3. Prevent or circumvent a water meter from measuring water supplied by the Water System.
4. Fraudulently obtain water from the Water System.

## SECTION 12- WATER SERVICES

- A. Before any connection shall be made to any water main, application for same shall be made in writing to the Water Department by the owner on the premises to be served, or by his or her authorized agent and a tap-in permit secured. A fee as established by the Township Board from time to time shall be paid in advance at the time the application is made.
- B. All supply and service pipes for meters installed in buildings or on premises shall be of type "K" copper of size and quality as approved by the Water Department. All fittings and connections underground shall be inspected and approved by the Water Department prior to covering.
- C. All owners installed service pipe from the water meter to the water main or curb stop shall be "K" copper.

- D. Water shall be taken and used only through water service pipes under the supervision of the Water Department and no connection through which water may pass from one parcel or lot to another shall be permitted even though the ownership of both parcel or lot may be the same.
- E. All service pipes must be laid within a minimum of 5 feet of cover, said lines to be inspected before backfill by the inspector from the Township, No new connection may be made until written approval by the Township inspector is given to the Water Department.
- F. A separate gate valve, the same size as the meter connection, shall be placed on the service pipe on both sides of the meter. Such valve shall be equal in quality to the curb stop. The meter pit must meet the requirements as established from time to time by the Water Department. No final installation nor placement of water meter in the meter pit shall be accomplished until inspected by the Township Water Department.
- G. All supply pipes from the main to the lot line shall be put in only by properly authorized employees or agents of the Water Department. Before receiving a permit for a service connection, the connection fee as determined must be paid to the Township in full.
- H. The water supply pipe, from the main to the property line, shall be maintained by the Township Water Department; the service pipe from the property line to the premises shall be considered private plumbing and be maintained by the owner of the premises. Failure to keep service lines in good repair will result in discontinuance of service.
- I. No person shall interfere in anyway with the supply pipe installed by the department, No person is permitted to turn water on or off at the curb stop without a prior authorization from the Township Water Department.
- J. All Township water used on any premise where a meter is installed must pass through the meter. No by-passing of the meter will be permitted.
- K. All water lines should have a 10' horizontal separation from sanitary and storm sewer lines.

### SECTION 13- METERS

- A. Meters Required; Use.
  - 1. All water furnished by the Township and used on any premises must pass through a meter, to be installed, owned, and controlled by the Township, and which is placed upon the premises or installed for the purpose of



measuring the water supply and usage. There shall be no bypass between the meter and the main.

2. All premises using the Water System shall be metered and the consumers must pay for water at the rates specified in this Ordinance or resolutions passed pursuant hereto. The only exception would be separate fire connection can be unmetered.
3. Water meters, and, if needed, pressure reducing valves, must be obtained from the Township, or the Authority.
4. All water meters installed after this Ordinance is adopted shall be installed in a meter pit.
5. Each water meter is to be served by its own water connection and water service pipe, unless the Township or its designated representative has approved another system incorporating exterior valves to control water flow to each meter.
6. Failure to Register; Water Usage; Amount.
  - a. Estimated consumption. If any meter fails to register properly or if a meter is inaccessible for reading, the Township shall estimate consumption based on former consumption, and charge the consumer the average quarterly consumption rate as shown by the meter over the period of the preceding four (4) quarters when the meter was accurately registering.
  - b. The accuracy of any meter on any premises will be tested by Authority personnel upon written request of the owner or user who shall pay in advance a fee to cover the cost of testing the meter. If upon such test, the meter is found to register over fifteen (15) percent more water that passes through it, the meter shall be replaced with another meter, and the meter test fee will be refunded to the property owner or user, and the water bill adjusted from the preceding and current billing periods as necessary and appropriate.
7. Meter repairs.
  - a. The expense of maintaining meters is to be borne by the Township; provided, however, that where a meter must be replaced, repaired, or adjusted due to acts, negligence, or carelessness of the owner or occupant of the premises, the expense caused thereby is to be charged and collected from the owner or occupant of the premises, and, if the owner or occupant of the premises refuses or fails to pay these charges, the charges must be added to the water charge for the premises.

- b. The owner or occupant of premises where a meter is installed is responsible for its care and protection from freezing and from injury or interference by any persons. If a meter is damaged, or stops working properly and accurately, the owner or occupant of the premises shall give immediate notice to the Township.

B. Type; Size Determination

1. All meters shall be under the control of the Township, as per Sims Whitney Utilities Authority standards, and shall be equipped with an instrument capable of being remotely connected and read away from the meter itself. Such instrument shall be installed in a meter pit near the property line in a location as directed by the Township.
2. Size. When requesting connection to the Water System, the consumer shall furnish information about the amount of contemplated water supply demand the Township shall determine the size and type of meter to be installed.
  - a. For usual single-family domestic use and consumption of water a minimum of 5/8 (five eighths) inch meter shall be installed by the Township or the Authority.
  - b. For multiple dwellings the meter size shall be one (1) inch for two (2) to four (4) dwellings and 1-1/2 (one and one half) inch for five (5) to ten (10) dwellings.
  - c. Except as stated above, where an application is made for a meter larger than 5/8 (five eighths) inch, the Township shall determine whether a meter of such size is required or authorized.
  - d. The use of meters larger than 1-1/2 (one and one half) inch will be permitted only upon specific written approval by the Township after due consideration of pertinent factors, such as the probable effect of their demand on the installed capacity of water mains and water supply.
  - e. Where a Parcel or lot is owned by one individual but is occupied by two or more firms or persons, a single charge for water will be made against the owner of the property. A building or buildings under one ownership consisting of several premises may be served by more than one water service and meter upon approval of the Water Department. In some cases, the Township may require multiple meters and will be evaluated on a case by case basis. In multiple meter installations, no master meter will be allowed. When more than one meter is served by one water service, all the meters served by the single service must operate from a manifold type arrangement.

- f. Where a building, originally built as a single building or premises and fitted with one Service pipe, but capable of being divided by sale or otherwise has been or may be hereafter subdivided and each subdivision shall be separately owned, the separate division or divisions so made must be connected to the main by separate service pipes within thirty (30) days after each division.

#### SECTION 14- REPAIRS

- A. Repairs. The cost of all repairs, maintenance, replacements of connecting system (supply system for public main up to and including the shutoff valve at the property line) is to be borne by the Township, except when damage requiring repair is due to negligent or willful acts of the owner or occupant of the premises, or any agent or licensee of such owner or occupant. Nothing herein prevents the Township from recovering the costs of the repairs or replacements from third persons responsible.
- B. The cost of all repairs, maintenance, and replacements of the service lines, the line from the shutoff valve at the property line, up to but not including the structure's meter, is borne by the property owner. Nothing herein prevents the owner from recovering the cost of such repairs or replacements from third persons responsible therefore.
- C. Persons taking water must keep their service pipe and their meter protected from frost and hot water at their own expense. Where the service pipe or meter is damaged by frost or hot water, the service pipe is to be repaired by a licensed plumber, paid for by the consumer, while the water meter is to be repaired by the Township at the customer's expense.

#### SECTION 15- CHARGES

- A. Upon adoption of this Ordinance by the Township Board of Sims Township, rates and fees for installation and use of the Water System shall be established by resolution of the Township Board, to recover the costs of administration, construction, reconstruction, and maintenance of said System, as necessary to preserve the same in the same good working order, operation, and replacement of the System, and to provide for the payment of any debt service obligations of the Township as the same becomes due. Such fees shall be made in accordance with the provisions set forth herein, and shall be made against all premises that use the Water System.
- B. Establishment of Rates. The rates for water service are to be established by resolution of the Township Board, and may be established separately from time to time as needed to ensure sufficiency of revenues in meeting the Water Systems expenses.

C. Publication. After the Township Board approves rates and fees to be charged for water service under this Ordinance, it shall publish the rates and fees, in a newspaper of general circulation in the Township, within thirty (30) days after approval by the Township Board.

D. Types of Rates and Fees.

1. Connection Fee. The Township shall charge, and the consumer shall pay, as a precondition to connection to the water mains of the System, a Connection Fee. The Connection Fee includes the cost of a meter, pit, pipe, valves, appurtenances, labor and pressure reducing valve, if necessary, and all other associated costs with making the connection to the System. This fee must be paid at the time an application for permission to connect to the water mains of the System is requested.
2. Consumption Fee. All consumers connected to the System must pay a Consumption Fee to cover the costs of distribution system operation and maintenance, and the replacement of equipment. This fee is to be based on the actual volume of water used during the current billing period.
3. System Equity Fee. The Township Board by resolution may establish a System Equity Fee in an amount sufficient to recover certain capital expenses incurred to provide water mains and sufficient capacity to all consumers from those consumers that have not previously paid their share of those expenses. The owner of lands in proximity to a Township water main, which lands have not been subjected to a special assessment to pay for the construction of said water main, or which lands have been through tax foreclosure resulting in the nonpayment of all or part of the special assessments for said water main, shall not be permitted to make connection or additional connections to said water main until the owner first pays a System Equity Fee for the privilege of connecting to said water main. This fee is to be paid, if applicable, in addition to all other fees provided for in this Ordinance.
4. Ready to Serve Charge. Consumers of the Water System shall be charged a Ready to Serve Charge. All consumers of the Water System shall be charged a flat rate in this regard based on anticipated water supply and demand, and includes administration costs and other associated expenses with the Water System. The Ready to Serve Charge is based on meter size.
5. Turn-on/Turn-off Fee. The Township may establish a Turn-on/Turn-off Fee, which if established, the Township must charge the consumer, and the consumer must pay, to cover the cost to turn water service on or off upon request to do so. The established fee to turn water on shall be charged to a customer whose service has been disconnected due to non-

payment of charges or fees due the Township. The Township allows one turn on and one turn off per year without charge. Thereafter, a fee will be charged as determined through resolution. There will be no fee for emergency turn off/turn ons.

6. For NSF (Non-Sufficient Funds) checks, a charge will be added to the bill based on the actual charge from the bank.
  7. Special Service Fees. The Township may charge customers and the customers must pay a Special Service Fee for which a rate is to be set, to cover providing any other services connected to the operation and maintenance of the Water System, as are requested of the Township from time to time by consumers.
- E. Required charges. No person may receive, and the Township shall not provide, free water service from the Water System. The cost of water connections from the Water System to private premises shall not be paid by the proceeds of the bond issue financing such system or from the revenues of the Water System. The Township must pay for all water it uses at the established rates.
- F. Responsibility for Payment.
1. The owner of the premises served by the Water System shall be liable to the Township for any charges and fees imposed and allowed to be charged by this Ordinance.
  2. When a single water service pipe serves two (2) or more consumer units, the owner of the premises shall be responsible for payment of water used on the premises.
- G. Billing.
1. Meter Reading. Meters are to be read quarterly or as deemed necessary by the Township Board.
  2. Bills. The Township shall issue bills for water service and all other charges in connection therewith. Bills for water service shall be sent to consumers by mail.
  3. All bills are payable by the due date specified on the bills, and are to be paid at the Township Hall or by mail.
  4. Collections. The Township Water Clerk shall collect all monies due for water service and all other charges imposed in connection with the Water System.

5. All charges for water service not paid by the due date are delinquent and are subject to a five percent (5%) late penalty charge.
6. If any bill for the service of the System remains unpaid after the due date on the bill, a 5% penalty will be applied. Seven days after the due date and the bill is unpaid, a late notice will be sent. Two weeks after the late notice is issued, a shut off notice will be sent. Seven days after the shut notice was issued, the water service will be turned off, and, if turned off, shall not be turned on until payment in full is made including all delinquent charges, and the fee charged for resumption of service. No water service that has been discontinued due to non-payment may be restored until all past due bills are paid for such payments are made.
7. Non-Receipt of Bill. Failure of the consumer to receive any bill does not relieve the consumer from liability for charges incurred and the consumer must notify the Township Water Clerk if a bill is not received by the fifteenth (15th) day after the end of a billing period.
8. Charges to Become a Lien Upon Premises. The Township shall have, as security for the collection of water supply fees, rates, or assessments due or that become due for the use and installation, repair, or maintenance to any house, building, or premises, a lien upon the building or premises, lot or lots, upon which the Water System service was supplied. This lien shall become effective immediately upon the providing of the water service to the premises or property supplied.
  - a. The lien created by this Ordinance shall have priority over all other liens except taxes or special assessments.
  - b. Charges for water services which are under the provisions of Section 21, Act 94, Public Acts of Michigan, 1933, as amended, shall be made a lien on all premises served hereby. The charges for water furnished to any premises are hereby recognized to constitute such lien and whenever any such charge against any piece of property or premises shall be delinquent for six (6) months, or more, that fact shall be certified by September 1<sup>st</sup> of each year to the tax assessing officer of the Township. Such charge shall be entered upon the next tax roll as a charge against such piece of property or premises and the charges shall be collected and the lien thereof enforced in the same manner as general Township taxes against such premises.

## SECTION 16 - CROSS CONNECTIONS WITH PUBLIC WATER SYSTEM

- A. Cross connections are prohibited, and it is unlawful for any person to make, permit to be made, or permit to exist, any cross connection on any lot or parcel of land owned or occupied by that person.
- B. State Rules Adopted by Reference. The Township hereby adopts by reference the water supply connection rules of the Michigan Department of Environmental Quality, being R 325.11401 to R 325.11407 of the Michigan Administrative Code.
- C. Inspections. The Township must cause inspections to be made of all properties served by the public water supply where cross connections with the public water supply is deemed possible. The frequency of such inspections, or re-inspections, based on potential health hazards, shall be as established by the Township Board.
- D. Access to Premises.
  - 1. The assigned representatives or agents of the Township or the Authority, has the right to enter at any reasonable time any property served by a connection to the public water supply system for the purpose of inspecting the piping system(s) thereof for cross connections.
  - 2. On request, the owner, lessee(s), or occupant(s) of any property so served shall furnish to the inspecting person or entity any pertinent information regarding the piping system(s) on the property.
  - 3. The refusal of such information or refusal to access, when requested, shall be deemed prima facie evidence of the presence of cross connections.
- E. Potable Water Supply Protection and Notification. The potable water supply made available on the properties served by the Water System shall be protected from possible contamination as specified by this Ordinance and the state plumbing code, as adopted, amended, and marketed by Arenac County and the State of Michigan. Any water outlet that could be used for potable domestic purposes and which is not supplied by the potable system must be labeled in a conspicuous manner as  

“WATER UNSAFE FOR DRINKING.”
- F. Cross Connection Shutoff. Where contamination of any water main is an immediate possibility in Authority personnel’s judgment, or if contamination of any main occurs and a cross-connection is found, the Township may order the water to be immediately shut off without giving notice to the owner or occupant

as proscribed herein. Water service is not to be restored until the cross connection(s) are eliminated in compliance with this Ordinance, as verified by the Township, or their designee.

- G. State Plumbing Code. This Ordinance does not supersede any State of Michigan or Arenac County Plumbing Code or Ordinance, but is supplemental thereto.
- H. Discontinuance of Water Service for Violation of this Section. The Township may and is directed to take other precautionary measures as deemed necessary to eliminate any damage due to contamination of the Water System.

#### SECTION 17 - ENFORCEMENT

- A. Penalties. Any person found to have violated any provision of this Ordinance shall be served with written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction thereof. The offender shall, within the period of time stated in such notice, permanently cease all violations. If the described violation continues to exist after the period of time stated in the notice, the Township may pursue any and all legal remedies or actions intended to abate or eliminate the violation. A violation of this ordinance shall be deemed a municipal civil infraction and subject to the penalties of the municipal civil infraction ordinance.
- B. Nuisance per se. A violation of this Ordinance is also declared to be a public nuisance per se, and the Township may enforce the violation by injunction or other remedy, including the right to correct the violation and recover the Township's cost of obtaining the necessary correction from the owner or person in charge of the premises therefore, including recovering the Township's attorney's fees.
- C. The Township Supervisor, or his designee, is responsible for issuing all violation and enforcement notices.

#### SECTION 18- MISCELLANEOUS PROVISIONS

- A. Newly Created Parcels of Land Within A Special Assessment District
  - 1. The water plant and all the main lines running from the plant to all adjacent road right of ways, have been engineered, bonded, and created a debt to the township and all residents utilizing the water.
  - 2. The Sims Township board will set forth this ordinance to require any newly developed lots to pay a system equity fee.



B. Newly Developed Subdivisions/System Extensions

1. The water plant and all the main lines running from the plant to all adjacent road right of ways, have been engineered, bonded, and created a debt to the township and all residents utilizing the water.
2. The Sims Township board will set forth this ordinance to require any newly developed subdivision, within Sims Township to be assessed for hooking into these water lines, for the plant and benefit from its entirety.
3. The Sims Township board will set forth that all newly developed subdivisions shall submit plans, have engineering, and show proof of insurance for the work performed, no matter who is the contractor.
4. There will be an assessment placed on these newly developed parcels of land and/or subdivisions created. The assessment shall cover all associated costs with the design, administration and construction of the water main to serve the proposed district. This assessment may be financed over not more than 20 years. The property owner would also be responsible for the additional costs of tap-ins, pit and meter (unless these items are supplied by the developer and he pays the Township for supplies).

C. Designation of Duties. The Township may delegate administrative duties and functions, including but not limited to, inspections, meter readings, billings, and maintenance.

D. Severability. 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 of the other provisions of this Ordinance.

E. This ordinance supersedes previous ordinances regarding the water system including Ordinance numbers 10, 13, 26, 28 and 29.

F. Conflicts or Repealer.

1. Conflicts. All ordinances, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.
2. Repealer. If a part or parts of this ordinance are for any reason held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of remaining portion of this Ordinance.

- G. Publication. A summary of this Ordinance shall be published in a newspaper of general circulation within the boundaries of the Township within thirty (30) days after its adoption, and the same shall be recorded in the Ordinance Book of the Township and filed with the County Clerk, and such recording authenticated by the signatures of the Township Supervisor and Clerk.
  
- H. Effective Date. This Ordinance shall become effective thirty (30) days after publication. Adopted at a regular session of the Sims Township Board on \_\_\_\_\_, 2011.

Adopted \_\_\_\_\_, 2011, effective \_\_\_\_\_, 2011.