

ORDINANCE NO. 1

AN ORDINANCE ESTABLISHING CHARGES FOR USERS OF THE NORTH HOUGHTON COUNTY WATER
AND SEWAGE AUTHORITY WASTEWATER DISPOSAL SYSTEM FACILITIES

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The Board of Trustees of the North Houghton County Water and Sewage Authority, Houghton County, Michigan hereby

ORDAINS:

SECTION 100 PREAMBLE

NORTH HOUGHTON COUNTY WATER AND SEWAGE AUTHORITY
WASTEWATER DISPOSAL SYSTEM FACILITIES

The fees, rates and charges for using the North Houghton County Water and Sewage Authority Wastewater Disposal System Facilities shall be upon the conditions and in the amounts set forth in Section 100 et. seq., except where this ordinance is declared inapplicable for a particular user by a written contract providing for alternative charges between such user and the Authority.

SECTION 105 DEFINITIONS

For the purpose of this ordinance, the following words, terms and abbreviations shall have the meaning set out below, unless the context specifically indicates otherwise.

Subd. 1051 "BOD" (DENOTING BIOCHEMICAL OXYGEN DEMAND) means the quantity of oxygen utilized in the biochemical oxidation of organic matter in five (5) days at 20 degrees C, expressed in milligrams per liter, as determined in accordance with the latest edition of Standard Methods for the Examination of Water and Wastewater.

Subd. 1052 - "CAPITAL COSTS" means all reasonable and necessary costs and expenses incurred by the North Houghton County Water and Sewage Authority in planning, designing, financing and constructing disposal system facilities, including, but not limited to costs and expenses for obtaining necessary permits, licenses, approvals, and grants for design and construction costs; fees for legal and consulting services; and acquisition.

Subd. 1053 - "COMMERCIAL USER" means those commercial establishments, business establishments, or establishments seeking profit which contribute normal domestic sewage strength waste to the treatment facility.

Subd. 1054 - "CONTRACT USER" means all users who have a written contract with the North Houghton County Water and Sewage Authority to use the Wastewater Disposal System.

Subd. 1055 - "DEBT SERVICE" means the principal and/or interest necessary to pay bonded or other indebtedness related to capital costs.

Subd. 1056 - "DEBT SERVICE CHARGE" means the charge related to the principal and interest necessary to pay bonded or other indebtedness related to capital costs for facilities owned or operated by the Authority.

Subd. 1057 - "DOMESTIC USER" or Residential User means that discharge coming from domiciles in the service area which contribute that strength equal to or less than normal domestic waste.

Subd. 1058 - "FLOW" means the quantity of sewage expressed in gallons or cubic feet per twenty-four (24) hours.

Subd. 1059 - "GENERAL MUNICIPAL FLOW" means the total sewage flow discharged to the Wastewater Disposal System Facilities, minus the flows from industrial users, other municipalities, and contract users and therefore, includes sanitary wastes and infiltration.

General municipal flow includes flow from Domestic Users, Commercial Users, Institutional Users and Government users.

General municipal flow, based on the design of the wastewater treatment facilities is further defined as flows containing 5-day BOD concentrations no greater than 200 mg/l and suspended solids concentrations no greater than 240 mg/l.

(General municipal flow is that which is normally generated by domiciles within the service area and may also be referred to as normal domestic strength waste.)

Subd. 1060 - "GENERAL MUNICIPAL USER" means any user discharging sewage to the general municipal flow other than industrial users, municipalities and other contract users.

This category of user includes as sub-categories: Domestic Users, Commercial Users, Institutional Users, and Governmental Users, which are

not contract users.

Subd. 1061 - "GOVERNMENTAL USER" includes those establishments who function in the administration and/or execution of governmental programs as well as the offices of executives, legislative bodies and agencies which provide general support services for government.

Subd. 1062 - "INDUSTRIAL USER" means a user who discharges to the municipal wastewater disposal system liquid wastes resulting from the processes employed in industry, manufacturing or from the development of any natural resource. Industrial wastewater discharges are typically more concentrated than normal domestic strength wastewaters.

Subd. 1063 - "INSTITUTIONAL USER" means those establishments engaged in activities of a non-economic nature, frequently being the performance of services for the general public (health, educational, social), and not classified as a governmental or commercial user in this ordinance.

Subd. 1064 - "LOAD" means quantities of sewage characteristics such as BOD, SS, and other constituents as expressed in milligrams per liter (mg/l) or pounds per twenty-four (24) hours (lbs./24 hours).

Subd. 1065 - "NORTH HOUGHTON COUNTY WATER AND SEWAGE AUTHORITY" means a Michigan Municipal Corporation organized pursuant to the provisions of Act 233, Public Acts of Michigan, 1955, as amended, which Authority has been incorporated by the Village of Calumet, the Village of Laurium, the Township of Calumet and the Township of Osceola, all Michigan municipalities situate in the County of Houghton.

Subd. 1066 - "OPERATION AND MAINTENANCE COSTS" (O & M COSTS) means the expenses related to the costs of the operation, maintenance, replacement and administration of the Wastewater Disposal System facilities.

Subd. 1067 - "REPLACEMENT COSTS" means costs related to the expenditures for obtaining and installing equipment, accessories, or appurtenances which are necessary to maintain the capacity and performance during the useful life of the Wastewater Disposal System facilities for which such facilities were designed and constructed. The term "operation and maintenance" includes replacement.

Subd. 1068 - "RESIDENTIAL USER" means a user of the treatment works whose premises or buildings are used primarily as a domicile for one or more persons including dwelling units such as detached, semi-detached, rural houses, mobile homes, and multiple family dwellings.

Subd. 1069 - "SANITARY WASTES" means the liquid and water carried wastes discharged from sanitary plumbing facilities.

Subd. 1070 - "SEWAGE" means the liquid carried waste products from whatever source derived, together with such groundwater infiltration and surface water as may be present.

Subd. 1071 - "SEWER" means a pipe or conduit for carrying sewage, industrial waste and other waste liquids.

Subd. 1072 - "SEWER SERVICE CHARGE" means the aggregate of all the charges including the user charges, debt service charges and other sewer related charges that are billed periodically to users of the Wastewater Disposal System facilities.

Subd. 1073 - "SEWER SYSTEMS" means pipelines or conduits, pumping stations, force mains, and all other devices and appliances appurtenant thereto, used for collecting or conducting sewage.

Subd. 1074 - "SIGNIFICANT INDUSTRIAL USER" means any industrial user who discharges sewage which constitutes greater than ten percent (10%) of

the design flow or design pollutant loading of the wastewater treatment plant.

Subd. 1075 - "SS" (DENOTING SUSPENDED SOLIDS) means solids that either float on the surface of, or are in suspension in water, sewage or other liquids and which are removable by laboratory filtering, in accordance with the latest edition of Standards for the Examination of Water and Wastewater.

Subd. 1076 - "USER" means any person, firm, corporation, or other entity, whether municipal or otherwise, discharging sewage into the Authority disposal system facilities.

Subd. 1077 - "USER CHARGE" means a charge levied on users of Wastewater Disposal System facilities for the cost of operation and maintenance and replacement of such facilities..

Subd. 1078 - "USER CLASS" refers to one of the following: domestic user commercial user, industrial user, institutional user and/or governmental user.

Subd. 1079 - "WASTEWATER DISPOSAL SYSTEM" means any facility, appurtenant structures, or arrangement of devices used for the treatment of sewage, and includes the sewer system and any private disposal systems improved by federal funds obtained through the Authority.

SECTION 110 GENERAL

It is the purpose of this ordinance to recover from the users of the Wastewater Disposal System facilities, on an equitable and proportional basis, the overall share of the Wastewater Disposal System facilities costs attributable to such users, and to provide funds for the operation and maintenance, debt service, replacement and improvements of the Wastewater Disposal System.

Subd. 1101 - The Sewer Service charges provided in this section are hereby levied and assessed upon each parcel of land, building or premises having any connection with, or having a discharge into, whether directly or indirectly, the sanitary sewer system. No free services will be granted. Equal rates of treatment for all users will be enforced.

Subd. 1102 - The Authority's Board of Trustees shall at least annually determine and fix by resolution the unit costs for use of the Wastewater Disposal System facilities on the basis of Flow, BOD, SS and any other pollutant, taking into consideration the cost of treatment of such sewage and may increase or decrease such unit cost as often and in such amounts as may reasonably be required to accomplish the purposes of this section.

Subd. 1103 - Authority's Board of Trustees shall compute the amount due the Authority for sewer user charges and render a statement thereof, at the intervals determined by Resolution of the Board of Trustees to the owner or occupant of any premises using the Wastewater Disposal System facilities or any component thereof. Such charges shall be pursuant to the most recent resolution establishing charges and rates in accordance with this ordinance. All amounts due hereunder shall be payable at the

Authority office or other designated locations. Equal rates will be charged throughout the jurisdiction of the Authority.

Subd. 1104 - The Authority shall each year provide an internal audit report that will address specific areas of concern including: the need to generate sufficient revenue through user charges to cover total O & M Costs; debt service costs; the necessity of maintaining a proportionate system of user charges pursuant to current federal regulations; the need to review the replacement account to determine its proper level of funding.

SECTION 115 BILLING PRACTICE

Subd. 1151 - The debt service charge, operation and maintenance charge and any required surcharge provided in this ordinance shall be included as separate items on the periodic billing statement. The bill will be payable in accordance with the schedule established by the Authority.

Subd. 1152 - All portions of the sewer service charge shall be payable at the time the bill for same is issued.

Subd. 1153 - Charges levied in accordance with this ordinance shall be a debt due to the Authority and shall be a lien upon the property. If this debt is not paid within twenty (20) days after it shall be due and payable, it shall be deemed delinquent and may be recovered by civil action in the name of the Authority against the property owner, the person or both. On all delinquent bills, the Authority shall include a charge at the rate of one and one-half percent (1-1/2%) per month from date of billing. If full payment is not received prior to September 15, the delinquent bill will be forwarded to the county for placement on the succeeding tax roll.

In the event of failure to pay sewer service charges after they become delinquent, the Authority shall have the right to remove or close sewer connections and enter upon the property for accomplishing such purposes.

The expenses of such removal or closing, as well as the expense of restoring service, shall likewise be a debt to the Authority and lien upon the property and may be recovered by civil action in the name of the

Authority against the property owner, the person or both.

Sewer service shall not be restored until all charges, including the expense of service removal and restoration, shall have been paid.

Change of ownership or occupancy of premises found delinquent shall not be cause for reducing or eliminating these penalties.

Subd. 1154 - The Authority shall annually notify each user in conjunction with a regular bill of the breakdown of the rates and user charges related to the Wastewater Disposal System.

SECTION 120 FUNDS FROM SEWER SERVICE CHARGES

The funds received from the collection of the charges authorized by the ordinance shall be deposited as collected in the Wastewater Disposal System Operating Fund and shall be used for debt service, operation, maintenance, replacement, and improvements to the Wastewater Disposal System except that the portion of any such funds which is limited to a particular use by applicable State or Federal rules or regulations, shall be used in compliance with such restrictions. Separate accounts for each activity shall be maintained.

SECTION 125 UNIT COST CATEGORIES

The cost to be recovered pursuant to this ordinance and the unit cost to be fixed by the Authority in Subsection 110, Subd. 1102 shall be determined and allocated in each of the following categories:

Subd. 1251 - "Category A." Debt Service for Wastewater Disposal System Facilities Project: This shall be the amount of the annual interest and principal cost necessary to retire the bond or bonds issued to pay for the local share of any necessary capital improvement projects along with any other interest and principal related to capital costs for facilities owned by this Authority.

Subd. 1252 - "Category B." Operation and Maintenance -- Wastewater Disposal System Facilities: This shall be the annual cost of operating and maintaining the Wastewater Disposal System facilities, including an amount for replacement costs of personal property, which shall be segregated in a separate fund.

SECTION 130 DEBT SERVICE CHARGES

Subd. 1301 - The debt service charges for capital improvement projects (Section 125, Subd. 1251, Category A) shall be determined by the flow measured by the water meter at each user's premises and in cases of use by other than General Municipal Users, by the pollutant concentrations of the sewage.

Unit costs for Flow, BOD, and SS for other than General Municipal Users shall be calculated by apportioning as appropriate the debt service cost associated with that year to Flow, BOD, and SS and then dividing each cost so apportioned by the total estimated billable Flow, BOD, and SS to be received at the Wastewater Treatment Works in that year.

Each non-General Municipal User's debt service charge shall be the sum of the products obtained by multiplying the unit cost as determined above by the user's actual Flow (as determined by the water meter at the user's premises), BOD, and SS during the billing period.

Prior to the issuance of bonds associated with USEPA Treatment Works Grant No. C26-3433-01, the Authority may by Resolution establish a uniform sewage treatment surcharge for each User adequate to meet its Debt Service obligations pursuant to Subds. 1052 and 1055, Supra.

SECTION 135 MEASUREMENTS OF STRENGTH AND VOLUME

Subd. 1351 - When required by the Authority each wastewater system user shall install suitable measuring, sampling and analyzing devices in compliance with the sewer use ordinance.

Subd. 1352 - The Authority shall not require the installation of measuring devices where the Authority determines that a user has a wastewater with concentrations of BOD and suspended solids that are no greater than the constituents in the General Municipal Flow and a satisfactory method and location exists for sampling and determining the total daily sewage flow. In such cases the charges to those users shall be based on the flow rates as determined and on BOD and SS loads equal to the average load of the General Municipal Flow.

Subd. 1353 - Each user required by the Authority to install and maintain wastewater monitoring facilities, shall submit to the Authority a monthly report of daily flow, BOD, and SS on a form approved by the Authority. This report shall be used for billing purposes and shall be submitted prior to the 15th day of the subsequent month.

Subd. 1354 - The Authority shall have the right to periodically or continuously inspect the monitoring facilities, to measure, sample and analyze the samples obtained by the user. The Authority may, at its direction, charge the user for any monitoring services performed, such charges shall be at cost.

In the event of any discrepancy between the flows or loads determined by the Authority and the user, the values determined by the Authority shall be used for the billing purposes.

SECTION 140 OPERATION AND MAINTENANCE CHARGES

Subd. 1401 - The charge for operation and maintenance shall be determined by the flow measured by the water meter at each User's premises and in cases of use by other than General Municipal Users, by the pollutant concentrations of the sewage.

The unit cost for flow shall be calculated by dividing the Category B (Operation and Maintenance) Cost by the total metered flow sold to users of the wastewater disposal system.

Subd. 1402 - Users discharging sewage exceeding the BOD and Suspended Solids (SS) parameters of the General Municipal Flow shall pay an additional charge pro rata. The unit cost for BOD and SS shall be calculated by apportioning the Category B (Operation and Maintenance) cost to Flow, BOD and SS; and then dividing each cost so apportioned by the total billable Flow, BOD and SS received at the Wastewater Treatment Facility in that year. The user charge shall be the sum of the products obtained by multiplying the unit costs as determined above by the users' actual Flow, BOD, and SS during the billing period, provided however, that in determining the charge to be paid for premises used exclusively for residential purposes, the water meter readings from the first quarter of each year may be used as the basis for the computation of such user charges for each billing period for that year.

Subd. 1403 - In addition to the charges provided for herein, the Authority must impose a surcharge on any user pursuant to the Sewer Use Ordinance or based on some other pollutant loading factor which requires special treatment at the Wastewater Treatment Works.

Subd. 1404 - Facilities not having a water supply that is metered or if the meter readings are not available, shall be charged based on the flow anticipated from a typical single family dwelling. The typical single family dwelling shall be assigned a flow value of 1 and shall pay for the Wastewater Disposal System use on a fixed monthly charge basis. Using this basic charge, Sewer Service charges for the other than residential dwellings shall be calculated by the Authority, as follows:

- A. Each unit of the townhouse shall have a value of 1.
- B. Condominiums, duplex units and apartments shall have a value of 1.0 for each living unit.
- C. Mobile homes shall have a value of 1.0.
- D. Commercial and industrial building units shall be assigned a minimum value of 1 living unit.
- E. Other buildings and structures not listed in the table below shall be assigned a value of 1 for each 42,000 gallons of the estimated annual wastewater discharge.
- F. All non-family dwellings may be required to install and maintain water meters at no charge to the Authority. The Authority reserves the right to require annual tests to insure accurate flow.

The following is a listing of standards used in assigning the flow value for various commercial, public and institutional facilities.

TYPE-OF-FACILITY	PARAMETER	FLOW-VALUE
Arenas	100 Seats	1
Automobile Service Center	2 Service Bays	1
Barber Shop	Each	1
Bible Camp	5 Campers (persons)	1
Boarding House	3 Beds	1
Bowling Alleys	3 Alleys	1
Cabins, Modern (rental units and part of a resort)	3 Units	2
Campground with Central Bath Facilities	2 Sites	1
Car Wash	Each	30
Car Wash (self service)	1 Stall	1
Churches	250 Seats	1
Club House (shower heads)	Each	12
Cocktail Lounge	25 Seats	1
General Office Building	2400 Sq.Ft. Floor Space	1
Hospitals	1 Bed	1
Laundromats or Laundry Rooms	1 Machine	1
Motels and Hotels (assume 2 persons per room)	2 Rooms	1
Recreational Vehicle Campground with Individual Sewer Hookups	3 Hookups	2
Resorts (with housekeeping)	3 Units	2
Restaurant (drive-in)	9 Parking Spaces	1
Restaurant (24-hour service)	12 Seats	1
Restaurant (with cocktail lounge)	9 Seats	1
Retail Stores	3000 Sq.Ft. Floor Space	1
Rooming House	7 Beds	1
Schools (Elementary)	20 Students	1
Schools (Secondary)	15 Students	1
Service Station (gas pumping only)	Each	1
Service Station with Service Center and Car Wash	Each	8
Swimming Pools	27 Swimmers	1
Theatre	75 Seats	1
Theatre (drive-in)	55 Parking Spaces	1
Trailer Park or Campground With Central Bathhouse	2 Sites	1
Trailer Park or Campground With Flush Toilets and No Showers	3 Sites	1
Warehouses	14 Employees	1

Subd. 1405 - There shall be a minimum monthly sewer service charge that shall be calculated by dividing the annual fixed costs by the equivalent number of users of the Wastewater Disposal System. The minimum charge shall be levied when no wastewater is discharged by a user during

one complete billing period and written notice of the non use is received in advance of the billing period by the Authority.

Subd. 1406 - Unmetered users may install their own meter and be charged in the same manner as metered customers if the meter is installed and maintained pursuant to all Authority rules and regulations.

Subd. 1407 - If a substantial portion of the water utilized by any user is not discharged into the sewer system, the volume of such water shall be deducted in computing the sewer use charge provided a separate meter is installed to measure such volume. The user desiring to install such separate meter shall make application and payment for the meter to the Authority and engage, at their own expense, a plumber to affect the necessary piping changes and install the couplings so the meter can be set. The user may also make direct payment to the distributor for the necessary meter provided it is approved by the Authority.

SECTION 145 EFFECTIVE DATE

This Ordinance shall be in full force and effect thirty days after publication thereof.

Adopted by the North Houghton County Water and Sewage Authority this 17 day of June, 1987 by the following vote:

YES: 6

NO: 0

ABSENT: 1

S/ Paul A. Lehto
Paul A. Lehto, Chairman

S/ Paul Kolbe
Paul Kolbe, Clerk

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