

ORDINANCE NO. 1060

THE ORDINANCE FIXING THE RATES TO BE CHARGED BY THE CITY OF ESCANABA FOR WATER DISTRIBUTION, TREATMENT, AND AVAILABILITY TO BE IN FULL FORCE AND EFFECT ON THE BILLINGS PROCESSED AFTER JUNE 30, 2006, AND ALL BILLINGS THEREAFTER UNTIL FURTHER AMENDED BY THE COUNCIL.

THE CITY OF ESCANABA ORDAINS:

CHAPTER I
RATES

For water distribution and treatment, there shall be charged by the City of Escanaba the rates herewith set forth as follows:

Section 101. Metered Water Rates (Monthly):

- \$1.65 Net Per Thousand Gallons for the first 10,000 Gallons
- \$1.31 Net Per Thousand Gallons for the next 140,000 Gallons
- \$1.13 Net Per Thousand Gallons for the next 350,000 Gallons
- \$1.03 Net Per Thousand Gallons for all over 500,000 Gallons

Plus, a monthly availability charge based on the size of the customer's service to be determined as follows:

5/8" & 3/4" Meter	\$7.24 per month
1" Meter.....	9.04 per month
1 1/4" Meter.....	12.65 per month
1 1/2" Meter.....	18.08 per month
2" Meter.....	27.13 per month
3" Meter.....	54.25 per month
4" Meter.....	72.32 per month
6" Meter.....	162.74 per month
8" Meter.....	235.06 per month
10" Meter.....	325.46 per month
12" Meter.....	361.64 per month

Minimum Bill: The minimum monthly bill shall be the "availability" charge herein set forth.

Section 102. Outside City Metered Water Rates:

The outside City rates shall be twice the inside City rates.

Section 103. Construction Service:

103.1 Use of City Hydrants or Standpipes as a Source of Water.

The Connection charge is \$59.43. This charge includes the first 33,000 gallons used. Water used in excess of 33,000 gallons will be billed at \$1.65 per 1,000 gallons. The connection charge is good for up to one month, with additional months billed at \$59.43 per month. Any movement of the connection is considered a new connection, subject to the \$59.43 connection charge.

103.2 When a service line is installed at construction site and it is not feasible to set a meter, the flat rate charge for water used will be as follows:

1" Service Line . . . \$16.56 per month

103.3

Customers will be charged actual cost for construction of all services, regardless of size.

Section 104. Special Cases

The City Manager will set the charge for any service not included in this action, including charges for meters which are damaged or faulty. The City retains the right to discontinue service to a customer in order to bring the customer's installation up to City standards.

Section 105. Unmetered Water Sales

Unmetered water rates shall be charged at the rate of \$1.65 per thousand gallons on the estimated usage for each month, plus, a minimum monthly service charge based upon an estimated meter size requirement, if the consumer were metered, which shall be levied from the metered water rate service charge schedule.

The basis for estimating residential flat rate or unmetered water sales shall consist of a representative average residential usage for each month.

Section 106. Fire Protection Charges

Charge per fire hydrant will be computed at \$165.75 per year per hydrant. The annual availability charge for a special water line for a fire protection system shall be \$165.75 for a six-inch line, \$294.10 for an eight-inch line, \$459.85 for a ten-inch line, \$663.00 for a twelve-inch line, and \$1,178.14 for a sixteen-inch line. Municipal rates for hydrant rental will be \$127.95 per year per hydrant.

Section 107. Connection Charges

For each service transfer request, there shall be a charge of \$5. The transfer fee is limited to those situations which require only a meter reading. For any service calls during regular working hours, including meter sets and valve turning, there shall be a charge of \$15. These charges are applicable only to requests for turning on a service. There are no charges for the shut-off of a service. Charges for turning on a service outside of regular hours will be \$80.00.

Section 108. Reconnection Charge

The reconnection charge for seasonal service requested by any customer, such as people going away for the winter, seasonal businesses, or seasonal industries, shall be \$30 if the meter is reconnected at the same premises by the same user within one year of disconnection. There shall be a reconnection charge of \$30 for shut offs due to nonpayment. Nonpay reconnects outside of normal business hours shall be billed at \$80.00.

Section 109. Meter Charges In New Construction

A customer who installs a new water service that is not a replacement for an existing service must pay a one time meter charge equal to the actual cost of the meter plus 10% prior to receipt of services. Meter charges and specifications shall be established by the City Water Superintendent and shall be adjusted at his discretion. Customers are not permitted to remove meters at the end of their service contract.

Section 110. Non Sufficient Funds Charges (NSF)

Whenever a customer presents a check or draft instrument for which funds are not immediately available upon presentation for deposit at the City's bank, a charge of \$20 will be placed upon the account for which payment was intended. The NSF charge shall also apply to agreements for ACH account debits.

Section 111. Billing Recapture and Customer Credits

Whenever it becomes necessary for the billing department to recapture unbilled charges, the billing department shall use a “look-back” period of two years. If it is determined that unbilled charges are the result of customer fraud, the billing department shall recover all unbilled charges.

If a billing error on the part of the City results in over-billed charges, the City will refund all such over-billings, to the extent that the amount can be reasonably determined.

If an over-billing is not the result of a City error, the billing department shall employ a two year look-back period in determining the amount of credit.

CHAPTER II
CONDITIONS OF SERVICE

Section 201. Late Payment Penalty

Meters of all customers shall be read or estimated monthly and a three percent (3%) penalty charge will be made on all bills unpaid after the due date indicated on bill. Penalty charges may be waived at the discretion of the City for good reason in all cases, it will be the exclusive right of the City to determine the facts and judge the validity of the request to waive the penalty payments.

Section 202. Enforcement

In addition to all other lawful enforcement methods, the City agrees and covenants to enforce all charges for water supplied to any premises by discontinuing the water service to such premises if any such charges shall remain unpaid past the due date.

(A) Utility Liens

Charges for water services applied by the system shall constitute a lien on the premises served and if not paid within six (6) months, shall be certified by the official in charge of the collection thereof to the tax assessing officer and shall then be entered upon the next tax roll as a charge against such premises and shall be collected and the lien thereof enforced in the same manner as general City taxes against such premises are collected and the lien thereof enforced. All provisions of the laws of Michigan and the City Charter applicable to the time and manner of certification and collection of delinquent City taxes levied against real estate in the City shall be observed in the certification and collection of such charges.

(B) Landlord Not Responsible

In all cases where a tenant is responsible for the payment of any such charge and the Utility Billing Office is so notified in writing, which notification shall include a true copy of the lease of the affected premises, if there be one, then no such charge shall become a lien against such premises from and after the date of such notice. In the event of the filing of such notice and after the date of such notice, the City shall render no further service to such premises until a cash deposit in an amount of the projected billing for not less than a one-month period and not more than a three-month period is received, said determination of deposit to be solely at the discretion of the City.

Section 203. Experience - Good Faith Deposit Requirement

(A) Deposit Terms

If a customer of the City of Escanaba, whether he be a tenant, owner, or an owner by land contract, has a history of delinquent payments, or if the City has no history of customer's payments, or if owner or tenant customer

service is located outside the corporate limits of the City of Escanaba, or if, in the judgment of the City, the existing deposit is insufficient based on current billings, the City may require a sum not to exceed the projected billing in an average four-month period as a good faith deposit, the amount of said deposit to be not less than twenty five dollars (\$25.00). This deposit will be held for twelve (12) consecutive months of payments without delinquency. Deposits for commercial accounts will be estimated on an individual basis. Commercial accounts will pay a deposit of an estimate of four (4) months' utility bills based on the estimated usage for the type of business.

(B) Deposit Interest

Interest will be paid on deposits at the rate of 2.0% per annum effective July 1, 2006. The deposit rate is based on the market rate the City receives on its deposit accounts on that date.

(C) Escrow and Letter of Credit

If a deposit of over \$500 is demanded from a commercial or large power customer, this deposit may be held in a special escrow account at the bank of the customer's choice, and interest will accrue to the benefit of the customer. Alternately, said customer may furnish an irrevocable bank letter of credit in lieu of a cash deposit.

Section 204. Discontinuation of Service

The City may discontinue service following a written notice in the event that the user has tampered with the metering, bypassed said metering, or cross connected to the City system. Also, the unauthorized cross connection or tampering with the metering will result in the customer being billed for the estimated cost of the water used, as determined by the City, and the act of cross-connecting or bypassing the meter will be construed as a theft of utility water and appropriately prosecuted.

Neither Customers, nor plumbing contractors shall cut a meter seal to perform work without calling the Escanaba Utility Billing Department prior to beginning such work. Permission will be given only to qualified persons to cut meter seals. Anyone not adhering to this provision shall be subject to a \$75.00 seal-cutting fee.

Water services may be discontinued if the wastewater charges are not paid.

Section 205. Liability

In case the supply of water shall be interrupted or fail by reason of accident or causes beyond the control of the City, the City shall not be liable for damages by reason of such failure.

Section 206. Location of Meters

All meters must be located in such manner as to provide accessibility for reading, and refusal to provide access for authorized City personnel in the performance of their duties will be sufficient cause for discontinuance of service.

CHAPTER III
OTHER ORDINANCES

All rules, regulations, and provisions, which have heretofore been enacted by ordinance or otherwise, shall continue to be in full force and effect unless modified or amended by the terms of this ordinance.

CHAPTER IV
SAVINGS CLAUSE

If any section, subsection, clause, or phrase of this ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, and phrases be declared unconstitutional.

CHAPTER V
EFFECTIVE DATE

In compliance with Section 4 of Chapter XVI of the City Charter, this ordinance shall be in full force and effect for billings processed after June 30, 2006, and after passage of this ordinance and its publication.

APPROVED:

APPROVED:

Ralph B. K. Peterson
City Attorney

Judith Schwalbach
Mayor

Date Approved: June 5, 2006
Date Published: June 9, 2006

Attest:

Robert S. Richards, CMC
City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Council of the City of Escanaba, County of Delta, Michigan, at a Special Meeting held on Monday the 5th day of June 2006, and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on June 9, 2006, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Robert S. Richards, CMC
City Clerk