

VILLAGE OF BANCROFT
(Enacted May 8, 2019)

RESOLUTION 2019-05

**RESOLUTION SETTING WATER RATES
AND CHARGING METHOD**

WHEREAS, the Village of Bancroft has undertaken a review of its water use rates and the method of charging for water use, has enacted a new Water Ordinance in May 2019 which provides that the Village Council shall set by resolution the method for which the Village shall charge for water use and the rates for water service from the Village water system, has passed Ordinance #295-19 which prohibits the installation or connection to a private well for properties which are currently connected to the Village water system, repealed Ordinance 229-03 which had provided for charging based upon a metered water methodology, and partnered with the Michigan Rural Water Association (hereafter "MRWA") to conduct a rate study in 2019;

WHEREAS Michigan Rural Water Association's rate study in 2019 evaluated the financial status of the Village of Bancroft's water system including, required bond and interests payments through 2044, capital improvements, projected infrastructure repair and replacement, connection fees, employee salaries, former employee retirement payments, number of users, annual operating costs, delinquent water bills, insurance charges, audit expenses, water tower rental income and other information;

WHEREAS the Village of Bancroft with the assistance of the Michigan Rural Water Association has looked at various methods of charging for water and water service including repairing or replacing the Village's current system of meters, establishing a flat rate for water service and water use, implementing a charging system based upon an assignment of residency equivalence units (REUs) that varied based upon whether the unit served was a residence or a commercial unit, and the commercial units could be assessed a REU value determined by the purpose of the commercial unit and how much water a typical commercial unity of that type might utilize, and other possible charging methods;

WHEREAS MRWA issued a water rate report in April 2019 which indicated, among other things, an increase in water charges and flat water use rates from \$177.44 per quarter, per customer to \$203.73 per quarter, per customer was necessary to continue to keep the Village water system financially sufficient in order to provide necessary, safe water to Village residents and establishments;

WHEREAS the Village has observed a need to re-evaluate the methods of charging for water service and water use to parcels of property in order to keep the Village water system financially viable and to that end, the Village has cut costs and utilized other methods of raising revenue to fund the water system including entering a leasing agreement with a local internet provider to rent space upon the top of the

Village's water tower, and the last rate increase undertaken by the Village of Bancroft occurred in 2013;

WHEREAS, the Village of Bancroft has determined that the majority of the cost of the water system is incurred in the establishment and maintenance of the infrastructure system created to distribute the water and a much smaller portion is the actual cost of the water, and that all residents with the ability to access the Village's water system should pay a ready to serve fee that covers the cost of the infrastructure whether or not they actually receive water, and that residents who receive water shall also pay the cost of the water;

WHEREAS the Village of Bancroft water system and a small portion of the costs of the water system is the costs of the water desires to confirm certain fees, modify certain fees, establish certain new fees and modify disconnect dates pursuant to those codes;

IT IS THEREFORE RESOLVED, that the following fees and or rates are set:

1. The disconnection fee from the water system is established at \$75.00. The customer shall pay the disconnection fee if the employee shows up to disconnect customer from the system, even if the customer makes arrangements for immediate payment;
2. The re-connection fee to the water system is established at \$75.00 and shall be paid in full prior to re-connection;
3. Any water bill that is paid more than 20 days after the date of issuance of the water bill by the Village, regardless of whether the customer received the bill or not, shall be charged a ten (10%) late fee;
4. The Village establishes a quarterly bill cycle for water bills and water is billed in advance for upcoming quarters;
5. Any attempted payment canceled or returned for insufficient funds or non-sufficient funds is deemed not to be a payment on the account and the Village shall assess a charge of \$45.00 for the returned or canceled attempted payment. Such canceled or returned attempted payment shall not stop, nor delay disconnect notification or action, nor have any other effect on any action undertaken by the Village regarding the account.
6. In addition to the fees and costs set forth above, the Village retains the right to place any unpaid water bill on the property owner's real property tax roll in accordance with any Ordinance and State Law regulating same.
7. On either the 76th day, or the first Monday that the Village office is open for business after 75 days have passed from the date the water bill was due, if a customer has not paid the quarterly water bill and any late fee(s) in full, then the

Clerk shall issue instructions to the Department of Public Works or other Village employee to disconnect the customer from the water system.

8. The ready to serve fee shall be \$112.97 per quarter even if water is turned off.
9. There shall be an additional costs for providing water in the amount of \$90.76 assessed in addition to the ready to serve fee for a total of \$203.73 per quarter.

Adopted at a regular meeting of the Village Council held on May 8, 2019.

Motion By: R. Miller Second By: C. Hutchins

YEAS: Hutchins, A. Miller, R. Miller, L. Fuller, K. Bible, B. Barnum

NAYS: T. Terpening

ABSENT: None



Brian Barnum, Village President

CLERK'S CERTIFICATION

I certify that the above is a true and complete copy of Resolution No. 2019-05 adopted by the Village Council at a meeting held on the 8th day of May, 2019.



Ashley Goodrich, Village Clerk

Drafted by: Christopher S. Johnson (P-58746)
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