

UTILITIES COMMITTEE

AGENDA NOTE

MEETING DATE: January 11, 2016

PERSON PLACING ITEM ON AGENDA: Township Manager

AGENDA TOPIC: Sanitary Sewer Rate Survey

EXPLANATION OF TOPIC:

At the October 19, 2015 Township Board meeting the Board received the Utilities Committee's recommendation for rate structures based on the eleven different scenarios. The Utilities Committee based their recommendation on the Sewer System Debt Service Analysis compiled by Ken Palka. The Board requested that staff perform a survey of adjacent communities to get an idea of what sewer rates are being charged in those communities.

As you can see from the results, there are numerous footnotes as each community is unique and explaining the differences between each community required additional explanation. The results are intended to provide a general comparison and is not an "apples to apples" comparison due to the variety of factors.

The survey results were provided to the Township Board at their January 4, 2016 meeting.

SUPPORTING DOCUMENTS:

- Sanitary Sewer Survey December 2015

SUGGESTED MOTION: None

SANITARY SEWER SURVEY - DECEMBER 2015

		Start-Up Costs*	Quarterly*
Flat/Unmetered Rates	Brighton Twp.	\$10,260	\$176
	Hamburg Twp.	\$5100 ^v	\$155.50
	Lyon Twp.	\$12,864	\$119.25 ^{iv}
	Green Oak Twp.	\$4,500 ^x	\$90
Flat/Unmetered & Metered Rates	Hartland Twp.	\$8,467.89	\$207.65 ^{vii}
	Howell Twp.	\$4,600	\$188.31 ^{ix}
	Brighton City	\$7,198	\$155.22/174.72 ^{vi}
	Milford Village	\$3,500	\$171.5 ⁱ
Metered Rates	Fowlerville	\$5,300	121.74 ^{ix}
	Howell City	\$3,000	\$128/148.25 ⁱⁱⁱ
Authority with Varying Rates	Genoa Twp.	\$7,000	\$110.49-\$201.76 ⁱⁱ
	Oceola Twp.	\$7,000	\$110.49

*Per REU

- i. Flat rate based on usage of 30,000 gallons per quarter. Metered rate on same usage is \$153.90. \$60 per quarter fee will be added for future debt.
- ii. Rates are \$110.49, \$120 and \$201.76 depending on the district for flat sewer.
- iii. Rates are estimates. Based on 25,000/30,000 gallon usage (\$4.07 per 1000 gallons) and RTS \$26.25
- iv. Rates will increase to \$122.83 in 2016 and to \$126.51 in 2017.
- v. If sewer main extension required, it's another \$2,500; grinder station is \$3200.
- vi. Rates are estimates. Based on usage of 25,000/30,000 gallons per quarter for a .75 meter (\$3.90 per 1,000 gallons). \$174.72 is also flat rate.
- vii. \$207.65 is rate for grinder users. \$173.66 for gravity users. Metered rates would be over \$200 assuming 25,000 gallon usage (\$7.35 per 1,000 gallons).
- ix. Amount is the flat rate. Metered rate would presumably be higher (\$9.00 per thousand gallons).
- ix. Per quarter flat rate. Metered rate (\$8.36 per 1000 gallons) would be \$219/260.80 for 25,000/30,000 gallons usage.
- x. Amount is cost for tap-in for gravity users. It is \$14,000 for grinder users (which includes cost of grinder and sewer line extension).

Sewer Survey Results - December 2015

	Municipalities	Serviced	Management	REU Usage	Sewer Tap Fee	Sewer Con. Fee	Billing	G.S.	Ownership	Vendor	Meters	Debt Fee	User Charge	Serv. User	Year	Bond Debt
X	Hamburg (Township)	Yes	Municipality	Yes	Yes	Yes ¹	Quarterly	Yes	Yes	Yes	No	Yes ¹⁴	Yes ¹⁵	3000	1989	Yes-\$9.1M
X	Fowlerville (Village)	Yes	Municipality	Yes	Yes ²	Yes	Quarterly	No	N/A	N/A	Some ¹⁸	No	Yes ¹⁹	1900	2005	Yes-\$2.3M
X	Howell (Township)	Yes	Municipality	Yes	Yes	Yes	Monthly	Yes	No	No	Some	Yes	No	631	1993	Yes-\$12.3M
X	Howell (City)	Yes	Municipality	Yes	Yes	No	Bi-monthly	No	N/A	N/A	Yes ²²	No	Yes	3000	1936	Yes-\$3.1M
X	Oceola (Township)	Yes	Authority	Yes	Yes	No	Quarterly	Yes	Yes ⁷	Yes	Yes	No	Yes	2204	1989	No
X	Genoa (Township)	Yes	Authority	Yes	Yes	No	Quarterly	Yes	Yes	No	Yes	Yes ²⁰	Yes	3874	1989	Yes-\$6M ¹³
X	Brighton (City)	Yes	Municipality	Yes ⁵	Yes	Yes	Bi-monthly	Yes	No	No	Yes	Yes ²¹	Yes ²²	2992	1938	Yes-\$7.3M
X	Hartland (Township)	Yes	Municipality	Yes	Yes	No	Quarterly	Yes	Yes	Yes	Some	Yes ⁹	Yes	2500	1986	Yes-\$18M
X	Green Oak (Township)	Yes	Municipality	Yes	Yes	No	Quarterly	Yes	Yes	Yes	No	No	Yes	875	2000	Yes-\$11.4M
X	Lyon (Township)	Yes	Municipality	Yes	Yes ²	Yes	Quarterly	Yes	Yes	Yes	No	No ³	No ⁴	2444	1995	Yes-\$4M
X	Milford (Township)	Not yet	Municipality	Yes	Yes	Yes	Quarterly	No	N/A	N/A	No	Not yet	Yes	9	2009	Yes-N/A
X	Milford (Village)	Yes	Municipality	Yes ⁵	Yes	Yes ⁵	Quarterly	Yes	Yes	No	Yes	Yes ⁶	Yes	2376	1960	Yes-\$10.3M ¹⁷
X	Brighton (Township)	Yes	Municipality	Yes	Yes	Yes	Quarterly	Yes	Yes	Yes	No	Yes	Yes	1466	2002	Yes-\$9.9M

1. Sewer Connection Fee is part of the Sewer Tap Fee.
2. Sewer Tap Fee is part of the the Sewer Connection Fee.
3. Built into the rate.
4. Built into the rate.
5. Base rates are based on meter size, which correlates to REU concept.
6. Sewer Connection Fee is the same as Sewer Tap Fee.
7. They are owned by the Authority.
8. The charge is \$0.22 per thousand gallons.
9. The charge is \$15.94 per REU per quarter.
10. \$28 per REU
11. Commercial properties are metered at \$8.10 per 1000 gallons.
12. Size of water meter determines fee usage rate.
13. This estimate is at the low end. MHOG was unsure of how much debt is owed on one of their districts.
14. \$52.40 is for debt charge.
15. \$103.10 is for O & M.
16. RTS charge of \$34.72.
17. This amount is soon to be issued.
18. Residential not based upon metered water usage.
19. \$5.00 per quarter.
20. Not all areas are charged debt service; amount varies.
21. \$37.29 for smallest meter per quarter.
22. \$20.43 per quarter.

12/17/2015

SANITARY SEWER SURVEY - DECEMBER 2015

Municipalities	Column 1	What is the name of the municipality?
Serviced	Column 2	Does the municipality provide sewer service?
Management	Column 3	Does the municipality or an authority manage the sewer service?
REU Usage	Column 4	Does your municiplaity make use of the REU concept?
Sewer Tap Fee	Column 5	Does the municipality charge a sewer tap fee?
Sewer Con. Fee	Column 6	Does the municipality charge a sewer connection fee?
Billing	Column 7	How often does the municipality issue bills?
G.S.	Column 8	Does the municipality have grinder stations?
Ownership	Column 9	Does the municipality own or maintain the grinder stations?
Vendor	Column 10	Does the municipality or a municipality approved vendor install the grinders?
Meters	Column 11	Are sewer bills calculated upon metered water usage?
Debt Fee	Column 12	Does the municipality charge a "Debt Service Charge?"
User Charge	Column 13	Does the municiplaity charge a "User Charge?"
Serv. User	Column 14	How many properties within the municipality receive public sewer service?
Year	Column 15	When did the municipal system become operational?
Bond Debt	Column 16	Does the sewer system have any current debt?