

CHARTER TOWNSHIP OF BRIGHTON

Administrative Policy No.:

817 (page 1 of 2)

Effective Date:

September 17, 2018

Amended Date:

October 19, 2020

Amended Date:

May 19, 2025

Policy Regarding:

MAXIMUM AMOUNT OF DEBT SERVICE/CAPITAL CHARGES AND DEPOSIT OF DEBT SERVICE/CAPITAL CHARGES

Chapter 22 of the Township's General Ordinances (the "Sanitary Sewer System Ordinance") provides for the imposition of a Debt Service/Capital Charge (which is the successor to the prior "Debt Service Charge") "to pay principal, interest and administrative costs of retiring the debt incurred for construction of the System and/or to pay for capital expenses related to the System." The Sanitary Sewer System Ordinance also provides that the Township Board may change the amount of the fee from time to time. The Quarterly Debt Service/Capital Charge was revisited by the Township Board on October 19, 2020 at \$80.50 per quarter per REU.

In the lawsuit captioned *Shoner/Potocki v. Brighton Township*, Livingston County Circuit Court Case No. 16-29165-CZ, the Court approved a Class Action Settlement Agreement providing that the Township would no longer charge the Debt Service Charge to the class members in that lawsuit as of February 1, 2018. Furthermore, as set forth in such Class Action Settlement Agreement, such class members had paid \$3,458.99 per REU as of the February 1, 2018 effective date.

The Township Board has determined that it is appropriate to provide a similar cap on the Debt Service/Capital Charge to all parcels in the sewer district, and the cap shall be \$3,459 per REU for all parcels in the sewer district.

Accordingly, at such time that the cumulative Quarterly Debt Service/Capital Charges paid with respect to an individual parcel equals \$3,459 for each REU assigned to such individual parcel, then the Quarterly Debt Service/Capital Charge shall no longer be charged with respect to that individual parcel. In the event that more than \$3,459 per REU is collected for a parcel in the sewer district, the excess above \$3,459 shall be credited on future bills for such parcel. Additionally, in the event that a parcel in the sewer district has been assigned REUs at different time periods, the parcel shall continue to pay the Quarterly Debt Service/Capital Charge with respect to any REUs that have not paid the \$3,459 amount per REU.

All Quarterly Debt Service/Capital Charges shall be deposited in the Sewer Reserve Fund (Fund No. 598) to pay capital expenses related to the system.

Policy 817 – Maximum Amount of Debt Service/Capital Charges and Deposit of Debt Service/Capital Charges

Page 2 of 2

In April 2025, the Township Board approved a rate adjustment, effective June 1, 2025, whereby the \$3,459 amount would be added to the upfront purchase cost of each new REU. The new REU cost effective June 1, 2025 is \$16,600.

Customers that have not met their \$3,459 obligation prior to June 1, 2025 will continue to receive a \$80.50 quarterly bill until the \$3,459 threshold is met. For billing purposes, the \$80.50 per quarter per REU charge will be titled CC3459.

The CC3459 fee is in addition to the CC2025 fee listed in administrative policy #819.