

## **Appendum D**

### **SEWER OPERATION AND MAINTENANCE FUND**

#### **Section 1. Purpose**

It is hereby determined to be desirable and necessary, for the public health, safety and welfare of the City of Sandusky, that the Sewage Disposal System of the City be operated by the City on a public utility rate basis in accordance with the provisions of Act 94 of Michigan, 1933, as amended.

#### **Section 2. Definitions**

A. Whenever the words “the System” are referred to in this chapter, they shall be understood to mean the complete Sewage Disposal System of the City, including all sewers, pumps, lift stations, flowage rights in interceptions of other systems, treatment facilities or interests therein, and all other facilities used or useful in the collection, treatment and disposal of domestic, commercial or industrial wastes, including all appurtenances thereto and including all extensions and improvements thereto, which may hereafter be acquired and all portion operated by the City.

B. Whenever the words “revenues” and “net revenues” are used in this Chapter, they shall be understood to have the meanings as defined in Section 3, Act 94, Public Acts of Michigan, 1933, as amended.

C. “Debt Service Charge” shall mean the charge levied to all users for retirement of bonded indebtedness associated with the system.

D. “Normal Domestic Waste” shall mean the water born waste from houses or buildings used for human occupancy.

E. “Operation and Maintenance” shall mean the operation of the Wastewater System and material and labor necessary to keep the system functional.

F. “Replacement” shall mean replacement of components of the Wastewater System.

G. “Sewer Service Charge” shall mean the total charge for Sewer Service including Debt Service Charge and Operating, Maintenance and Replacement Charge.

H. “User Charges” shall mean Operating, Maintenance, and Replacement Charges to the users of the system.

I. “User Classes” shall mean the types of users which contribute different strength and type of waste to the system. Including residential, commercial, institutional, governmental and industrial.

J. “Residential User” shall mean a single family dwelling.

K. “Commercial User” shall mean an establishment listed in the Office of Management and Budgets Standard Industrial Classification Manual involved in a commercial enterprise. Business or service which discharges primarily segregated domestic wastes or wastes from sanitary conveniences.

L. “Industrial User” shall mean nongovernmental, nonresidential users of the system which discharges industrial process waste as defined in the Standard Industrial Classification Manual, office of Management and Budget as amended.

M. “Non-Industrial User” shall mean nongovernmental, noncommercial, nonresidential, non-industrial users of the system.

N. “Governmental User” shall mean any Federal, State or local government user of the system.

O. “Industrial Waste” as used herein shall be construed to mean a combination of liquid and solid waste discharged from any industrial establishment, resulting from any trade or process carried on it that establishment (This shall include the wastes from pretreatment facilities and polluted cooling water, but is separate and distinct from sanitary sewage from employees).

P. “NPDES Permit” as used herein shall be construed to mean a permit issued under the National Pollutant Discharge Elimination System for discharge of wastewaters to navigable waters of the United States pursuant to Section 402 of PL 92-500.

Q. “BOD” (denoting Biochemical Oxygen Demand) shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedures in five days of 20 degrees C., expressed in milligrams per liter.

### **Section 3. Management**

The operation, maintenance, alteration, repair, and management of the System shall be under the supervision and control of the City Superintendent.

### **Section 4. Rates**

#### **A. Annual Review**

An annual review of Operating, Maintenance and Replacement Costs and charges shall be conducted by the City to assure that each user pays its proportionate share.

At the next regular billing after the review, each user shall be notified as to what portion of the bill is attributable to Wastewater Treatment service.

#### **B. Sewer Use Charges**

Sewer use charges to each single-family residential premises served by the System shall be a flat amount per month. Each premises other than a single-family residence shall pay a monthly charge in the foregoing amount multiplied by a factor representing a ratio of sewage representing a ratio of sewage use by such class of premises to normal single-family residential sewage use, as set out in appended schedule attached hereto and made a part hereof. The minimum monthly charge to any premises shall be set annually.

### **C. Special Rates**

For miscellaneous or special services for which a special rate shall be established, such rates shall be fixed by the City Council.

### **D. Industrial Use Rates**

Pursuant to the provisions of Special Grant Condition No. 3 the following minimums Industrial Rates shall apply.

- i. Normal domestic wastewater - \$1.16 per 1000 gallons
- ii. Extra strength wastewater
  - a. \$0.18 per lb of BOD per 1000 gallons above normal domestic wastewater.
  - b. \$0.20 per lb of suspended solids per 1000 gallons above normal domestic wastewater.
  - c. \$3.45 per lb of phosphorus per 1000 gallons above normal domestic wastewater.

### **E. Billing**

Bills will be rendered quarterly, payable without penalty within fifteen (15) days after the date thereon. Payments received after such period shall bear a penalty of thirty dollars \$30.00.

### **F. Enforcement**

The charges for services which are under the provisions of Section 21, Act 94, Public Acts of Michigan, 1933, as amended, made a lien on all premises served thereby, unless notice is given that a tenant is responsible, are hereby recognized to constitute such lien, and whenever any such charge against any piece of property shall be delinquent for six (6) months, the City official or officials in charge of the collection thereof shall certify annually on March 1<sup>st</sup> of each year, to the tax assessing officer to the City the facts of such delinquency, whereupon such charge shall be by him 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 lien thereof enforced. Provided, however, where notice is given that a tenant is responsible for such charges and services provided by said Section 21, no further service shall be rendered such premises until a cash deposit in the amount of \$50.00 shall have been made as security for payment of such charges and service.

In addition to the foregoing, the City shall have the right to shut off water and sewer service to any premises for which charges for sewer service are more than three (3) months delinquent, and such service shall not be re-established until all delinquent charges and penalties and a turn on charge, to be specified by the City, have been paid. Further, such charges and penalties may be recovered by the City by court action.

**Section 5. No Free Service**

No free service shall be furnished by said System to any person, firm or corporation, public or private, or to any public agency or instrumentality.

**Section 6. Mandatory Connection**

All premises to which services of the system shall be available shall connect to the System within ninety (90) days after the mailing of a notice to such premises by appropriate officials in charge of the System indicating that such services are available and requiring that such connection be made.

**Section 7. Fiscal Year**

The System shall be operated on the basis of a fiscal year corresponding with that of the City.

**Section 8. Revenue Disbursal**

The revenues of the System shall be set aside, as collected, and deposited in a separate depository account in a bank or banks designated by the City Council, in an account to be designated SEWAGE DISPOSAL SYSTEM RECEIVING FUND (hereinafter, for brevity, referred to as the "Receiving Fund"), and the revenues so deposited shall be transferred from the Receiving Fund periodically in the manner and at the times hereinafter specified.

**A. Operation and Maintenance Fund**

Out of the revenues in the Receiving Fund there shall be first set aside quarterly into a depository account, designated OPERATION AND MAINTENANCE FUND, a sum sufficient to provide for the payment of the next quarter's current expenses of administration and operation of the System and such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order.

**B. Replacement Fund**

There shall be established and maintained a depository account designated REPLACEMENT FUND, which shall be used solely for the purposes of making major repairs and replacements and improvements to the System if needed. There shall be set aside into said fund, after provision has been made for the Operation and Maintenance Fund and the Contract Payment Fund, such revenues as the City Council shall deem necessary for this purpose.

**C. Surplus Moneys**

Moneys remaining in the Receiving Fund at the end of any operating year, after full satisfaction of the requirement of the foregoing funds, may, at the option of the City Council, be transferred to the Improvement Fund or used in connection with any other project of the City reasonably related to purposes of the System.

**D. Bank Accounts**

All money belonging to any of the foregoing funds or accounts may be kept in one bank account, in which event the moneys shall be allocated on the books and records of the City within this single bank account.

**Section 9. Industrial Uses; Additional Charges; Unreasonable Burden on System**

**A. Increased Rate of Termination**

If the character of sewage from any manufacturing or industrial plant or any other building or premises shall be such as to impose an unreasonable additional burden upon the sewers of the sewer system, then an additional charge may be made over and above the regular rates, or it may be required that such sewage be treated by the person, firm or corporation responsible therefore before being emptied into the sewer, or the right to empty such sewage may be denied if necessary for the protection of the sewer and sewage disposal facilities of the system, or the public health or safety.

**B. Surcharge**

In the event the character of sewage from a user exceeds a five (5) day “BOD” concentration of 400 milligrams per liter, or a suspended solids concentration of 350 milligrams per liter, then the charge to be applied to the user shall be determined and added to the sewer service charge billing.

**C. Industrial Cost Recovery System**

There are no industries being presently served by the system. In the event an industrial user become a user of the system the City shall establish an “Industrial Cost Recovery System; in compliance with Section 35-928 of the Federal Regulations and contained in the Federal Register, February 11, 1974, Volume 39, No. 29 as amended and supplemented. Said “Industrial Cost Recovery System” shall become a part of this ordinance.

**D. Industrial Contracts**

The council shall have the right to contract with industrial users to treat industrial waste of unusual strength.

**E. Industrial User Requirements**

The council, whenever necessary, with regard to discharge or proposed discard of industrial water into any sewer, shall have the right:

- i. Require new industries or industries with significant increase in discharges to submit information on wastewater characteristics and obtain prior approval for discharges.
- ii. Reject the wastes in whole or in part for any reason deemed appropriate by the Council
- iii. Require pretreatment of such wastes to within the limits of normal sewage as defined in accordance with Federal Regulation (40 CFR 128).
- iv. Require control or flow equalization of such wastes so as to avoid any surge loads or excessive loads that may be harmful to the treatment works.
- v. Require payment of a surcharge on any excessive flows or loadings discharged to the treatment works to cover the additional costs of having capacity for and treating such wastes.

F. The owner of any property serviced by a building sewer carrying industrial wastes or other non-residential wastewater may be required by the City to install a suitable structure together with such necessary meters and appurtenances in the building to facilitate observation, sampling and measurements of the wastes. Such structure when required shall be accessible and safely located and shall be installed by the owner at his expense and shall be maintained by him so to be safe and accessible at all times.

**Section 10. Deficit Procedure**

In the event the moneys in the Receiving Fund are insufficient to provide for the current requirement of the Operation and Maintenance Fund, any moneys or securities in other funds of the System, except sums in the Contract Payment Fund derived from special assessments of tax levies, shall be transferred to the Operation and Maintenance Fund, to the extent of any deficit therein.

**Section 11. Investments**

Moneys in any fund or account established by the provisions of this Ordinance may be invested in obligations of the United States of America in the manner and subject to the limitations provided in Act 94, Public Acts of Michigan, 1933, as amended. In the event such investments are made, the securities representing the same shall be kept on deposit with the bank or trust company having on deposit the fund or funds from which such purchase was made. Income received from such investments shall be credited to the fund from which said investments were made.

**SEWAGE USE RATIO**

<u>Occupation Use</u>	<u>Units</u>	<u>Unit Factor</u>
Single Family Residence	1.0	per residence

Auto Dealers – New and/or used Per 1,000 sq of building	1.0	per premise plus 0.25 per service area
Auto Repair/Collision	1.0	same as above
Auto Wash (Coin Operated)		
Do-it-yourself 10 gal. or less per car	1.0	per stall
Auto Wash (Mechanical – Over 10 gal. per car – Not recycled)	10.0	per stall of production line area
Including approach and drying		
Auto Wash (Mechanical – Over 10 gal. per car – recycled)	5.0	per stall or production line including Approach and drying area
Barber Shop	1.0	per shop + 0.1 per chair after 2
Bar	4.0	per 1,000 sq. ft.
Beauty Shops	1.0	per shop + 1.0 per booth
Bowling Alleys (no bar)	1.0	per premise plus 0.2 per alley
Churches	0.25	per 1,000 sq. ft., minimum 1 unit
Cleaners (pick up only)	1.0	per shop
Cleaners (cleaning & pressing fac)	1.0	per premise + 0.5 per 500 sq. ft.
Clinics (Medical or Dental)	1.0	per premise 0.5 per exam room
Convalescent or Boarding Homes	1.0	per premise + 0.25 per bedroom
Convents	1.0	per premise + 0.25 per bedroom
Country Clubs and Athletic Clubs	1.5	per 1,000 sq. ft. of clubhouse + Restaurant and bar
Drug stores	1.00	per premise + snack bar
Factories (office & production)	0.75	per 1,000 sq. ft.
Wet Process		based on metered sewage flow
Funeral Home	1.5	per 1,000 sq. ft + residence to be Computed separately
Grocery Stores and Super Market	1.0	per premise + 0.8 per 1,000 sq. ft.
Hospitals	1.1	per bed
Hotels and Motels	0.40	per bedroom + restaurant & bar
Laundry (self serve)	1.0	per premise + 0.5 per washer
Two Family Residential	1.0	per unit
Mobile Homes (free standing)	1.0	per unit
Mobile Homes (parks or subdivision)	0.75	per pad or site at indirect connection Rate + laundry, community buildings And office to be computed separately Per schedule
Multiple Family Residence		
Duplex or Row Houses	1.0	per dwelling unit
Apartments	0.50	per dwelling unit
Fraternity or Sorority Houses	0.50	per dwelling unit
Professional Office	0.25	per 500 sq. ft. minimum 1
Public Institutions	0.75	per 1,000 sq. ft.
Restaurants (meals only)	2.5	per 1,000 sq. ft.
Restaurants (meals and drinks)	3.5	per 1,000 sq. ft.

Restaurants Auxiliary Dining Rooms		
When used less than 20 hours		
Per week	2.0	per 1,000 sq. ft.
Schools	1.0	per classroom
Service Stations	1.5	per 1,000 sq. ft. of building area
Snack Bars, Drive-Ins, etc.	2.5	per 1,000 sq. ft.
Retail Store (other than listed)	1.0	per premise + 0.1 per 1,000 sq. ft.
Theaters (drive-in)	0.04	per car space
Theaters	0.04	per seat
Post Office	1.0	per 1,000 sq. ft.
Warehouse and storage	0.2	per 1,000 sq. ft.
Veterinary Facility	1.5	per facility
Veterinary Facility with Kennel	1.5	per facility 0.5 per 5 kennels