

Chapter 66

UTILITIES*

Article I. In General

Secs. 66-1-66-30. Reserved.

Article II. Water Supply System

Division 1. Generally

Secs. 66-31-66-55. Reserved.

Division 2. Regulation and Operation

- Sec. 66-56. Definitions.
- Sec. 66-57. Operation.
- Sec. 66-58. Director of public works.
- Sec. 66-59. Applications for connection.
- Sec. 66-60. Connection fees.
- Sec. 66-61. Water service connection.
- Sec. 66-62. Water service repair, replacement or extension.
- Sec. 66-63. Meters.
- Sec. 66-64. Water main extensions.
- Sec. 66-65. Separate water supply sources.
- Sec. 66-66. Fire hydrants.
- Sec. 66-67. Liability of township.
- Sec. 66-68. Violation.
- Secs. 66-69-66-95. Reserved.

Division 3. Cross Connections

- Sec. 66-96. Rules adopted.
- Sec. 66-97. Inspections.
- Sec. 66-98. Right of access, information for inspection.
- Sec. 66-99. Discontinued service upon violation.
- Sec. 66-100. Protection of potable water.
- Sec. 66-101. Other codes and ordinances.
- Secs. 66-102-66-125. Reserved.

***Cross references**-Administration, ch. 2; buildings and building regulations, ch. 14; community development, ch. 22; environment, ch. 26; land divisions and subdivision~, ch. 34; subdivisions, § 34-66 et seq.; installation of public utilities in subdivisions, § 34-208; storm drainage, § 34-211; water supply system in subdivisions, § 34-212; sanitary sewer system, § 34-213; streets, sidewalks and other public places, ch. 58.

State law references-Local government authority to provide and regulate water and sewer service, MCL 324.4301 et seq.; collection of water or sewerage charges, MCL 123.161 et seq.; sewage disposal, water supply and solid waste management system, MCL 124.281 et seq.; rates charged for use of public improvement in order to pay bonds, MCL 141.121.

TITTABAWASSEE CODE

Division 4. Revenue Bonds

Subdivision I. In General

- Sec. 66-126. State law defined.
- Secs. 66-127-66-140. Reserved.

Subdivision II. Acquisition and Construction—1961

- Sec. 66-141. Necessity; description of system.
- Sec. 66-142. Cost; period of usefulness.
- Sec. 66-143. Method of payment; definitions.
- Sec. 66-144. Bond data.
- Sec. 66-145. Payment of bonds; statutory lien created.
- Sec. 66-146. Rights of bondholders.
- Sec. 66-147. Supervision and control.
- Sec. 66-148. Rates and charges.
- Sec. 66-149. No free service.
- Sec. 66-150. Rate sufficiency.
- Sec. 66-151. Operating year.
- Sec. 66-152. Funds.
- Sec. 66-153. Transfer of moneys.
- Sec. 66-154. Investments.
- Sec. 66-155. Applicable legislation.
- Sec. 66-156. Proceeds of bond sale.
- Sec. 66-157. Covenants.
- Sec. 66-158. Additional bonds.
- Sec. 66-159. Form of bonds and coupons.
- Sec. 66-160. Authority to issue and sell bonds.
- Secs. 66-161-66-175. Reserved.

Subdivision III. Series II-1967

- Sec. 66-176. Definitions.
- Sec. 66-177. Necessity to acquire project.
- Sec. 66-178. Cost; period of usefulness.
- Sec. 66-179. Payment of cost.
- Sec. 66-180. Bond data.
- Sec. 66-181. Bond reserve account.
- Sec. 66-182. Rates, billing and enforcement; management.
- Sec. 66-183. Applicability of 1961 Ordinance; purpose.
- Sec. 66-184. Bond proceeds.
- Sec. 66-185. Form of bonds and coupons.
- Sec. 66-186. Municipal finance commission approval.
- Sec. 66-187. Recordation and publication.
- Secs. 66-188-66-200. Reserved.

Subdivision IV. Junior Lien-1983

- Sec. 66-201. Definitions.
- Sec. 66-202. Necessity to construct project.
- Sec. 66-203. Cost; period of usefulness.
- Sec. 66-204. Payment of costs.

UTILITIES

- Sec. 66-205. Bond data and sale.
- Sec. 66-206. Bond transfer.
- Sec. 66-207. Execution and delivery.
- Sec. 66-208. Form of bond.
- Sec. 66-209. Security.
- Sec. 66-210. Budget.
- Sec. 66-211. Remedies.
- Sec. 66-212. Funds-Custodian; types.
- Sec. 66-213. Same-Reverse flow; surplus moneys.
- Sec. 66-214. Investments.
- Sec. 66-215. Rates and charges.
- Sec. 66-216. No free service.
- Sec. 66-217. Covenants.
- Sec. 66-218. Additional bonds.
- Sec. 66-219. Contract between township and bondholders.
- Sec. 66-220. Refunds.
- Sec. 66-221. Default of township.
- Sec. 66-222. Subjection to state law and FmHA regulations.
- Sec. 66-223. Subjection to loan agreement.
- Sec. 66-224. Municipal finance commission approval for sale of bonds.
- Secs. 66-225-66-240. Reserved.

Article III. Sewer System

Division 1. Generally

Secs. 66-241-66-265. Reserved.

Division 2. Sewer Connection

- Sec. 66-266. Definitions.
- Sec. 66-267. License required; building sewer permits.
- Sec. 66-268. Conditions of service.
- Sec. 66-269. Hookup and connection fees.
- Sec. 66-270. Schedule A, schedule for determining number of units.
- Sec. 66-271. Validity.
- Secs. 66-272-66-290. Reserved.

Division 3. Sewer Use

- Sec. 66-291. Definitions.
- Sec. 66-292. Public sewers.
- Sec. 66-293. Building sewers and connections.
- Sec. 66-294. Unlawful damage; arrest for violation.
- Sec. 66-295. Power and authority of inspectors.
- Sec. 66-296. Lien established for nonpayment; penalties; liability of user for downstream damages..
- Sec. 66-297. Compliance with other requirements.
- Secs. 66-298-66-320. Reserved.

TITTABAWASSEE CODE

Division 4. User Charges

- Sec. 66-321. Definitions.
- Sec. 66-322. Charges levied; user classes.
- Sec. 66-323. Administration.
- Sec. 66-324. Rates and charges.
- Sec. 66-325. Delinquent charges; penalties and actions.
- Sec. 66-326. Appeals.

ARTICLE I. IN GENERAL

Secs. 66-1-66-30. Reserved.

ARTICLE II. WATER SUPPLY SYSTEM

DIVISION 1. GENERALLY

Secs. 66-31-66-55. Reserved.

DIVISION 2. REGULATION AND OPERATION

Sec. 66-56. Definitions.

The following definitions shall be considered as fixed and determined by the township board as to all matters referred to in this division:

Water service connection means that part of the consumer's water system between the township's distribution main and the curb stop box which is located approximately on the street line or private property line of roads and highways.

Water service extension means that part of the consumer's water supply system extending from the end of the water connection into the premises served and ending at, and including, the township's water meter. (Comp. Ords. 1987, § 25.103)

Cross reference-Definitions generally, § 1-2.

Sec. 66-57. Operation.

The water supply system located in the township shall be operated under the direction and control of the township board, subject to all the provisions and regulations and conditions as set forth in this division.

(Comp. Ords. 1987, § 25.101)

Sec. 66-58. Director of public works.

The director of public works, under the direction of the township board, shall have control of the operation and maintenance of the water supply system and shall direct and control all employees of the water supply system who may be authorized or appointed by the township board. The director of public works shall have full power to remove any employee of the water supply system at the pleasure of the director of public works. The compensation of the director of public works and all other employees of the water supply system shall be fixed and determined from time to time by resolution, motion or order of the township board, and may be changed from time to time at the pleasure of the township board.

(Comp. Ords. 1987, § 25.102)

Sec. 66-59. Applications for connection.

No service connection shall be constructed for the purpose of introducing water into any premises until an application for a permit for such connection has been made in writing to the township board. The applicant shall be furnished a form and the form shall be filled out in all details and filed with the director of public works, in triplicate. The director of public works shall file all copies of the application with the township board, along with his recommendations for approval or disapproval of such application. The township board shall then establish the necessary payment required for each particular connection and shall act upon the application and, if approved, the same shall then be turned over to the township treasurer so that the necessary moneys can be collected from the applicant. Upon receipt of the required moneys, the township treasurer shall so mark the application and file one copy with the customer and one copy with the director of public works, and the third copy shall be filed in the water department records. (Comp. Ords. 1987, § 25.104)

Sec. 66-60. Connection fees.

(a) *Purpose.* The purpose of this section is to provide for the uniform imposition, collection, and enforcement of fees for water system and connection fees to the water mains within the township.

(b) *Definitions.* Whenever used in this section, except when otherwise indicated by the context, the following terms shall have the meanings ascribed in this subsection:

Connection fee means the amount charged to each premises for the installation of the water main connection from the public water main in the street or easement to the property line, which price shall include a tap, service box, valve, and a water meter.

Premises means a lot or parcel.

Water system fee means the amounts as determined by subsection (c).

(c) *Water system fee.* The owner of each premises in the township abutting a street or easement in which a water main is located, at such time as a connection is made, shall pay a water system fee to the township in an amount determined by multiplying the frontage of the parcel times the rate per foot, as established by resolution of the township board, except those parcels in platted subdivisions where water mains were paid for by the developer and except those parcels which had been specially assessed for a water main improvement; provided, any structure/farther than 200 feet from the front property line being serviced by the connection shall pay an additional water system fee in such amount as determined by the township manager to be reasonable under the circumstances there existing.

(d) *Payment required.* The owners of all premises connecting to a water main shall pay a connection fee to the township, as defined in subsection (b), in an amount to be determined by resolution of the township board.

(e) *Time and method of payment.* The water system and connection fees set forth for each premises must be paid prior to any water connection to a premises that is not currently served.

(f) *Extension of water mains.* The township shall not be required or obligated under this section to extend any water mains within the township.

(Ord. No. 99-06, §§ 1-6, 5-25-1999; Ord. No. 04-08, § 1, 10-12-2004)

Sec. 66-61. Water service connection.

(a) Water service connections shall only be installed by the township and upon prepayment of the connection cost and cost of furnishing and installing the meter. The township board shall from time to time, determine the average connection cost for the township and this shall be payment complete for all materials and labor involved in tapping the main, laying the pipe from the distribution main to the curb stop and box, the furnishing and placing of the curb stop box and the furnishing and installation of the meter. Nothing shall prevent the prepayment of the cost of furnishing and installing the meter subsequent to prepayment of the connection cost, except that the same must be paid in advance of the actual installation of the meter.

(b) In all cases, the water service connection shall be constructed of approved material "K" copper, Class 52 Ductile Iron pipe, high-density polyethylene (HDPE), that meets or exceeds all requirements of ASTM D2239, NSF listed and AWWA C-901. HDPE pipe shall be a minimum of 200 psi (SIDR9), and shall be installed with a 12-gauge solid core copper tracer wire for its entire length. All HDPE will be copper tubing size. All service connections shall be laid to the depth of five feet under the surface of the street or lowest part of the gutter. All water services shall have a minimum of ten (10) horizontal separation from any drain, storm sewer, sanitary sewer or sewer service connection. No water service connection shall be laid in the same trench with a sewer pipe unless local conditions prevent horizontal separation and the water service is supported upon the earth shelf at least one foot above the sewer. The township shall install a brass stop cock with a valve box, which shall be placed approximately on the street line or private property line of roads and highways, and this stop cock shall be under the exclusive control of the township. No person, other than an authorized employee of the township, shall open or close or otherwise interfere with the stop cock; provided, however, that any licensed plumber may stop and/or open the stop cock in emergency cases when authorized by director of public works.

(Comp Ords. 1987, § 25.105; Ord. No. 07-05, 9-25-2007)

Sec. 66-62. Water service repair, replacement or extension

(a) All materials, procedures, depths and distances used in the water service repair or extension shall be of the same type as described in section 66-61. The entire water service repair, replacement or extension shall be installed at the owner's expense and shall include a meter shutoff conveniently placed ahead of the meter. The necessary couplings for connecting the meter shall be furnished by the township and included in the cost of the meter. The water service repair, replacement or extension shall be protected from damage of every nature and such needed repairs shall be made whenever so notified by the township. Whenever a water service is frozen, it shall be thawed out by the customer at his own expense.

(b) The water service repair, replacement or extension shall not be covered until tested, inspected and approved by the director of public works.

The water service line and or main must be located at least ten feet horizontally from any existing or proposed drain, storm sewer, sanitary sewer, combined sewer, or sewer service connection, unless local conditions prevent a lateral separation of ten feet.

If it is not possible to obtain ten feet separation the Agency may approve construction in which the water main invert must be 18 inches above the crown of the sewer. In parallel situations where it is not possible

to obtain the lateral or vertical separation, then the Agency may approve construction in which the sewer is constructed of water main equivalent pipe and pressure tested to ninety five (95) psi before backfilling.

Supp. No.3

CD66:7

§ 66-63

TITTABAWASSEE CODE

Sec. 66-63. Meters.

All water services shall be metered. The meter shall be furnished and installed by the township and shall remain the property of, and under the control of, the township. The township shall have access to the meter for the purpose of reading, testing and repairing. The customer shall provide a suitable place for the installation of the meter and if, in the judgment of the township, a meter pit should be constructed, such meter pit shall be constructed by the water customer in accordance with the plans and specifications supplied by the township. No person, other than an authorized employee of the township, shall break or injure the seal on, or change the location of, or alter or interfere in any way with any meter. The water customer shall be responsible for all damage to the meter or meter seal caused by any act or negligence of any person other than an employee of the township, including damage by hot water, frost, or other causes, and the expense to the township caused thereby shall be charged to and collected from the water customer. (Comp. Ords. 1987, § 25.107)

Sec. 66-64. Water main extensions.

All water main extensions in the township shall be constructed by the township. Any person desiring a water main extension in the township shall file a request with the township board. The township board will request the township engineer to make an estimate of the cost of constructing the extension. Upon payment to the township of an amount of money equal to the engineer's estimated cost of the extension, the township may proceed with the construction of the requested extension. After completion of the work, the township engineer will furnish the township board with a detailed cost of constructing the extension and the payment will be adjusted up or down accordingly. (Comp. Ords. 1987, § 25.108)

Sec. 66-65. Separate water supply sources.

Whenever any premises is supplied with water from two or more sources, one of which source is the township supply, the township supply must be entirely separate and no physical connection with any other supply shall be permitted. (Comp. Ords. 1987, § 25.109)

Sec. 66-66. Fire hydrants.

No person shall open or use water from any public or private fire hydrant for any purpose, except for extinguishing fire, unless a written permit from the director of public works has been issued for such use.

(Comp. Ords. 1987, § 25.110)

Cross reference-Fire prevention and protection, ch. 30.

Sec. 66-67. Liability of township.

All parties using water from the water supply system of the township for any purpose whatsoever will do so at their own risk; and the township or employees thereof shall not be liable for any damages occasioned by or growing out of the stoppage of such water, nor for any insufficient supply of water, nor for accidents or any damage of any kind caused by or growing out of the use or failure of such water.

(Comp. Ords. 1987, § 25.111)

Sec. 66-68. Violation.

Any person willfully interfering with or injuring the water supply system of the township or any of the pipes, stop cocks or other appurtenances appertaining to the system; or any person putting any animal, vegetable or other substance in any of the reservoirs, tanks, or pipes or polluting the water therein in any way; or any person violating or failing to comply with any provision of this division shall be guilty of a misdemeanor and shall be subject to punishment as provided in section 1-7.

(Comp. Ords. 1987, § 25.112)

Secs. 66-69-66-95. Reserved.

DIVISION 3. CROSS CONNECTIONS*

Sec. 66-96. Rules adopted.

The township adopts by reference the water supply cross connection rules of the state department of environmental quality (R 325.11401 et seq.).

(Comp. Ords. 1987, § 25.251)

Sec. 66-97. Inspections.

It shall be the duty of the water department to cause inspections to be made of all properties served by the public water supply where cross connection with the public water supply is deemed possible. The frequency of inspections and reinspections, based on potential health hazards involved, shall be as established by the township board and as approved by the state department of environmental quality.

(Comp. Ords. 1987, § 25.252)

***State law reference**-Safe drinking water act, MCL 325.1001 et seq.

Sec. 66-98. Right of access, information for inspection.

The representative of the water department shall have the right to enter upon, at any reasonable time, any property served by a connection to the public water supply system of the township for the purpose of inspecting the piping system or systems thereof for cross connections. On request, the owner, lessees or occupants of any property so served shall furnish to the inspection agency any pertinent information regarding the piping system or systems on such property. The refusal of such information or refusal of access, when requested, shall be deemed evidence of the presence of cross connections.
(Comp. Ords. 1987, § 25.253)

Sec. 66-99. Discontinued service upon violation.

The township water department is hereby authorized and directed to discontinue water service after reasonable notice to any property wherein any connection in violation of this division exists, and to take such other precautionary measures deemed necessary to eliminate any danger of contamination of the public water supply system. Water service to such property shall not be restored until the cross connection has been eliminated in compliance with the provisions of this division.
(Comp. Ords. 1987, § 25.254)

Sec. 66-100. Protection of potable water.

The potable water supply made available on the properties served by the public water supply shall be protected from possible contamination, as specified by this division and by the state plumbing code. Any water outlet which could be used for potable or domestic purposes and which is not supplied by the potable system must be labeled in a conspicuous manner as:

WATER UNSAFE FOR DRINKING

(Comp. Ords. 1987, § 25.255)

Sec. 66-101. Other codes and ordinances.

This division does not supersede the state plumbing code and township ordinances No. 13 and 14, but is supplementary to them.
(Comp. Ords. 1987, § 25.256)

Secs. 66-102-66-125. Reserved.

DIVISION 4. REVENUE BONDS

Subdivision 1. In General

Sec. 66-126. State law defined.

When used in this division, the term "Act 94" shall mean Public Act No. 94 of 1933 (MCL 141.101 et seq.), as amended.

Cross reference-Definitions generally, § 1-2.

Secs. 66-127-66-140. Reserved.

Subdivision II. Acquisition and Construction-1961

Sec. 66-141. Necessity; description of system.

It is hereby determined to be necessary for the public health, safety and welfare of the township to acquire and construct, in accordance with detailed maps, plans and specifications therefor prepared by the Francis Engineering Company, consulting engineers of Saginaw, Michigan, a water supply and distribution system consisting of the existing water system in the township composed of 7,330 feet of two-inch or smaller pipe, 15,445 feet of three-inch to six-inch water main, 20 hydrants, a pressure tank and three wells, pump houses and pumps, all to be acquired by purchase, and improvements thereto composed of two new wells with pumps, pump houses, an elevated storage tank and water mains, together with necessary hydrants, valves, fittings, appurtenances and attachments thereto.

(Comp. Ords. 1987, § 25.151)

Sec. 66-142. Cost; period of usefulness.

The cost of the water supply and distribution system has been estimated by the engineers to be \$280,000.00, including the payment of incidental expenses, as specified in section 66-143, which estimate of cost is hereby approved and confirmed; and the period of usefulness of such public improvements is estimated to be not less than 40 years.

(Comp. Ords. 1987, § 25.152)

Sec. 66-143. Method of payment; definitions.

(a) To pay the cost of acquiring and constructing the water improvements, including the payment of legal, financial and other expenses incident thereto and incident to the issuance and sale of the bonds, including interest on the bonds for six months from the bond date, and including the sum of \$1,500.00 to meet operation and maintenance expenses before adequate reserves therefor are earned, it is hereby determined that the township shall borrow the sum of \$280,000.00, and that revenue bonds be issued therefor pursuant to the provisions of Act 94, which bonds are referred to in this subdivision as lithe bonds."

(b) Whenever the words "lithe system" are referred to in this subdivision, they shall be understood to mean the complete water supply and distribution system of the township, including all wells, water mains, storage facilities, treatment facilities, and all other facilities used or useful in the supply and distribution of water for domestic, commercial or industrial uses and for fire protection purposes, and all appurtenances and attachments thereto, including the facilities to be acquired pursuant to this subdivision and all facilities which shall be in any way connected to the foregoing in the future.

(c) Whenever the words "public improvements" are used in this subdivision, they shall be understood to mean the improvements authorized to be acquired and constructed under the provisions of this subdivision.

(d) Whenever the words "revenues" and "net revenues" are used in this subdivision, they shall be understood to have the meanings as defined in section 3 of Act No. 94 (MCL 141.103). (Comp. Ords. 1987, § 25.153)

Cross reference-Definitions generally, § 1-2.

Sec. 66-144. Bond data.

(a) The bonds shall be designated "water supply and distribution system revenue bonds," and shall be, not general obligations of the township, but revenue bonds, payable out of the net revenues of the system after provision has been made for the payment of expenses of administration, operation and maintenance, and shall consist of 280 bonds of the denomination of \$1,000.00 each, dated as of April 1, 1962, numbered in direct order of maturity from one to 280, inclusive, and maturing as follows:

\$5,000.00, April 1 of each year from 1965 to 1967, inclusive;

\$6,000.00, April 1 of each year from 1968 to 1970, inclusive;

\$7,000.00, April 1 of each year from 1971 to 1973, inclusive;

\$8,000.00, April 1 of each year from 1974 to 1976, inclusive;

\$9,000.00, April 1 of each of the years 1977 and 1978;

\$10,000.00, April 1 of each year from 1979 to 1981, inclusive;

\$12,000.00, April 1 of each year from 1982 to 1983, inclusive;

\$13,000.00, April 1 of each of the years 1984 and 1985;

\$14,000.00, April 1, 1986;

\$15,000.00, April 1 of each year from 1987 to 1992, inclusive.

(b) Bonds shall bear interest at a rate or rates not exceeding five percent per annum, payable on October 1, 1962, and semiannually thereafter on April 1 and October 1 of each year, both principal and interest to be payable in lawful money of the United States of America at a bank or trust company to be designated by the purchaser of the bonds. Interest due October 1, 1962, shall be paid from the proceeds of sale of the bonds.

(c) Bonds numbered one to 47, inclusive, maturing in the years 1965 to 1972, inclusive, will not be subject to prior redemption.

(d) Bonds numbered 48 to 280, inclusive, maturing in the years 1973 to 1992, inclusive, will be subject to redemption prior to maturity, at the option of the township, in inverse numerical order, on any interest payment date on or after April 1, 1972.

(e) Bonds called for redemption shall be redeemed at par and accrued interest to the date fixed for redemption plus a premium for each bond so redeemed as follows:

\$50.00 on each bond called for redemption on or after April 1, 1972, but on or before April 1, 1979;

\$40.00 on each bond called for redemption after April 1, 1979, but on or before April 1, 1982;

\$30.00 on each bond called for redemption after April 1, 1982, but on or before April 1, 1985;

\$20.00 on each bond called for redemption after April 1, 1985, but on or before April 1, 1988;

\$10.00 on each bond called for redemption after April 1, 1988, but on or before April 1, 1991;

No premium shall be paid on bonds called for redemption after April 1, 1991.

(f) Thirty days' notice of the call of any bonds for redemption shall be given by publication in a paper circulated in the state which carries, as part of its regular service, notices of sale of municipal bonds, and, in the case of registered bonds, 30 days' notice shall be given by mail to the registered address. Bonds so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the paying agent to redeem such bonds.

(g) Such bonds may be registered as to principal only in the manner and with the effect set forth on the face thereof as provided in this subdivision.

(h) Such bonds shall be signed by the supervisor and township clerk and shall have the corporate seal of the township impressed thereon, and shall have interest coupons attached bearing the facsimile signatures of the supervisor and township clerk.

(Comp. Drds. 1987, § 25.154)

Sec. 66-145. Payment of bonds; statutory lien created.

The bonds and attached coupons shall not be a general obligation or indebtedness of the township, but shall be payable solely from the net revenues derived from the operation of the system; and to secure such payment, there is hereby created a statutory first lien upon the whole of the net revenues of such system, to continue until the payment in full of the principal and interest on the bonds.

(Comp. Drds. 1987, § 25.155)

Sec. 66-146. Rights of bondholders.

(a) The holder or holders of the bonds or coupons representing in the aggregate not less than 20 percent of the entire issue then outstanding may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the revenues of the system and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the township, including the fixing of sufficient rates, the collection of revenues, the proper segregation of the revenues of the system and the proper application thereof; provided, however, that the statutory lien upon such revenues shall not be construed as to compel the sale of the system.

(b) If there is any default in the payment of the principal of or interest upon any of the bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the system on behalf of the township and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officials of the township, more particularly set forth in this subdivision and in Act 94.

Supp. No.4

CD66:13

(c) The holder of any such bonds or any coupons therefrom shall have all other rights and remedies given by Act 94 for the collection and enforcement of such bonds and the security therefor. (Comp. Ords. 1987, § 25.156)

Sec. 66-147. Supervision and control.

The construction, alteration, repair and management of the system shall be under the supervision and control of the township board, who may employ such person in such capacity as it deems advisable to carry on the efficient management and operation of the system under its direction. The township board may make such rules, orders and regulations as it deems advisable and necessary to ensure the efficient management and operation of the system. (Comp. Ords. 1987, § 25.157)

Sec. 66-148. Rates and charges.

There shall be and there are hereby established rates and charges for' the use of and the service availability supplied by the township water supply and distribution system, as follows:

(1) *Readiness-to-serve (RTS) charge.* Each unit connected to the system shall pay a quarterly readiness-to-serve charge, as follows:

Size of Meter (inches)	RTS Charge FY2013-14	RTS Charge FY2014-15	RTS Charge FY2015-16	RTS Charge FY2016-17	RTS Charge FY2017-18	RTS Charge FY2018-19	RTS Charge FY2019-20
5/8	\$48.00	\$53.50	\$54.00	\$54.50	\$55.00	\$55.50	\$56.00
¾	52.80	58.85	59.40	59.95	60.50	61.05	61.61
1	96.96	108.07	109.08	110.09	111.10	112.11	113.12
1 ½	204.96	228.45	230.58	232.72	234.85	236.99	239.12
2	295.20	329.03	332.10	335.18	338.28	341.33	344.40
3	645.12	719.04	725.76	732.48	739.20	745.92	752.64
4	964.80	1075.35	1085.40	1095.45	1105.50	1115.55	1125.60
6	1500.00	1671.88	1687.50	1703.13	1718.75	1734.38	1750.00
8	1980.00	2206.88	2227.50	2248.12	2268.75	2289.38	2310.00

(2) *Sprinkler system readiness-to-serve charge.* Each unit requiring a fire sprinkler suppressant line shall pay a quarterly readiness-to-serve charge, as follows:

Sizes of Fire Suppressant Line (inches)	Quarterly Charge
2	\$21.50
4	33.25
6	66.50
8	99.75

(3) *Consumption charge.* Each unit connected to the system shall pay quarterly a consumption charge per 1,000 gallons of water used in addition to any applicable readiness-to-serve charges as follows:

UTILITIES

§ 66-148

Fiscal Year	Per 1,000 gallons
2013-14	\$3.35
2014-15	3.48
2015-16	3.62
2016-17	3.77
2017-18	3.92
2018-19	4.08
2019-20	4.24

- (4) *Minimum charge per unit.* The minimum quarterly water charge shall be the applicable readiness-to-serve charge.
- (5) *Billing.*
 - a. Water bills shall be rendered quarterly during each operating year and shall represent charges for the quarterly period immediately preceding the date of rendering of the bill. Such bills shall become due and payable on the tenth day of the month from the date thereof, and for all bills not paid when due, a penalty of ten percent of the amount of such bill shall be added thereto.
 - b. Bills and notices relative to the conduct of the business of the township will be mailed to the customer at the address listed on the application, unless a change of address has been filed in writing at the business office of the township board and the township shall not otherwise be responsible for the delivery of any bill or notice, nor will the customer be excused from nonpayment of a bill or any performance required in such notice. Bills for water service are due and payable at the business office of the township or at any designated agent of the township.
- (6) *Special rates.* For miscellaneous services for which a special rate shall be established, such rates shall be fixed by the township board.
- (7) *Turn-on charges.* There will be imposed a charge of \$30.00 whenever the township is requested to turn on or off water services; provided, however, whenever the township is requested to provide turn on or turn off service at times other than the regular business hours of the township, there will be imposed an additional charge of time and material, plus ten percent.
- (8) *Hydrant rate.* For water used through fire hydrants, the township shall pay a charge of \$150.00 per hydrant per year, which charge shall be payable in quarterly installments from the current funds of the township, or from the proceeds of taxes which the township, within constitutional and statutory tax rate limits, is hereby authorized and required to levy in an amount sufficient for that purpose.
- (9) *Enforcement.*
 - a. The charges for water service which are under the provisions of section 21 of Act 94 (MCL 141.121) 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 such charge against any piece of property shall be delinquent for six months, the township official or officials in

charge of the collection thereof shall certify annually, on September 1 of each year, to the tax assessing officer of the township, the fact 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 township taxes against such premises are collected, and the lien thereof enforced; provided, however, where notice is given that a tenant is responsible for such charges and service as provided by section 21 of Act 94, no further service shall be rendered such premises until a cash deposit of not less than twice the minimum quarterly charge shall have been made as security for payment of such charges and service.

b. In addition to other remedies provided, the township shall have the right to shut off and discontinue the supply of water to any premises for the nonpayment of water rates when due. If such charges are not paid within 30 days after the due date thereof, then water services to such premises shall be discontinued. Water services so discontinued shall not be restored until all sums then due and owing shall be paid, plus a turn on charge of \$30.00.

(Comp. Ords. 1987, § 25.158; Ord. of 1-28-1997; Ord. No. 04-07, 6-8-2004; Ord. No. 05-02, 5-10-2005; Ord. No. 06-01, 10-24-2006; Ord. No. 07-06, 10-31-2007; Ord. No. 13-01,11-12-2013)

Sec. 66-149. No free service.

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

(Comp. Ords. 1987, § 25.159)

Sec. 66-150. Rate sufficiency.

The rates hereby fixed are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the system as are necessary to preserve the same in good repair and working order, to provide for the payment of the interest upon and the principal of all the bonds as and when the same become due and payable, and the creation of the reserve therefor required by this subdivision, and to provide for such other expenditures and funds for the system as this subdivision may require. Such rates shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed at all times to fix and maintain such rates for services furnished by the system as shall be sufficient to provide for the foregoing.

(Comp. Ords. 1987, § 25.160)

Sec. 66.1,51. Operating year.

The system shall be operated on the basis of an operating year commencing on April 1 and ending on March 31 of the year next following.

(Comp. Ords. 1987, § 25.161)

Sec. 66-152. Funds.

The revenues of the system shall be set aside, as collected, and deposited in a separate depository account in the Freeland State Bank of Freeland, Michigan, a bank duly qualified to do business in the state, in an account to be designated "water supply and distribution system receiving fund" (for brevity, referred to in this section as the "receiving fund"), and such revenues so deposited are pledged for the purpose of the following funds and shall be transferred from the receiving fund periodically in the manner and at the times specified in this section.

(1) Operation and maintenance fund.

- a. Out of the revenues in the receiving fund there shall be first set aside, quarterly, into a separate 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. The township board, prior to the commencement of each operating year, shall adopt a budget covering the foregoing expenses for each year, and such total expenses shall not exceed the total amount specified in the budget, except by a vote of four-fifths of the members of the township board.

(2) Bond and interest redemption fund.

- a. There shall next be established and maintained a separate depository account, designated as the "bond and interest redemption fund," the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of and interest upon the bonds hereby authorized. The moneys in the bond and interest redemption fund, including the bond reserve account established in this section, shall be kept on deposit with the bank or trust company where the principal and interest on the bonds authorized in this section are currently payable.
- b. Out of the revenues remaining in the receiving fund after provision has been made for expenses of operation and maintenance of the system, there shall next be set aside, quarterly, in the bond and interest redemption fund, a sum proportionately sufficient to provide for the payment of the principal of and interest upon all outstanding bonds payable from the revenues of the system, as and when the same become due and payable. Commencing October 1, 1962, the amount so set aside for interest each quarter during the last six months of each operating year shall be not less than one-half of the total amount of interest maturing on the following April 1 and, each quarter during the first six months of each operating year, shall be not less than one-half of the total amount of interest maturing on the following October 1. The amount so set aside for principal during each quarter during each operating year, commencing April 1, 1964, shall be not less than one-fourth of the amount of principal maturing on the April 1 following such operating year. If

there shall be any deficiency in the amount previously required to be set aside, then the amount of such deficiency shall be added to the current requirements.

- c. There is hereby established in the bond and interest redemption fund a separate account to be known as the bond reserve account, into which there shall be paid, in equal quarterly installments from the revenues of the system after provision has been made for the operation and maintenance fund and the bond and interest redemption fund, the sum of \$5,000.00 during each of the operating years beginning April 1, 1962 to 1965, inclusive, so that there has been accumulated in such bond reserve account the sum of \$20,000.00 by the close of the operating year beginning April 1, 1965. The moneys in the bond reserve account shall be used solely for the payment of the principal and interest on the bonds as to which there would otherwise be default. If at any time it shall be necessary to use moneys in the bond reserve account for such payment, then the moneys so used shall be replaced from the net revenues first received thereafter which are not required by this subdivision to be used for operation and maintenance or for current principal and interest requirements; provided, however, that such bond reserve account shall not be regarded as moneys otherwise appropriated or pledged for the purpose of determining the sufficiency of funds available for redemption of callable bonds.
- d. No further payments need be made into the bond and interest redemption fund after enough of the bonds have been retired so that the amount then held in such fund, including the bond reserve account, is equal to the entire amount of principal and interest which will be payable at the time of maturity of all the bonds then remaining outstanding.
- (3) *Replacement fund.* There shall next be established and maintained a separate depositary account designated as the "replacement fund," which shall be used solely for the purpose of making major repairs and replacements to the system. There shall be deposited into such account, in equal quarterly installments, after providing for all requirements of the operation and maintenance fund and the bond and interest redemption fund, including the bond reserve account, the sum of \$2,000.00 during each of the operating years beginning April 1, 1962 to 1966, inclusive, so that such fund shall total \$10,000.00. If at any time it shall be necessary to use moneys in the fund for such purpose, the moneys so used shall be replaced from the net revenues in the receiving fund which are not required by this subdivision to be used for the operation and maintenance fund or the bond and interest redemption fund, including the bond reserve account.
- (4) *Improvement fund.* There shall next be established and maintained an improvement fund for the purpose of making improvements, extensions and enlargements to the system. There shall be deposited in such fund each quarter, after providing for all of the foregoing requirements, such sum as the township board shall determine.

(5) *Surplus moneys.* Moneys remaining in the receiving fund at the end of any operating year, after full satisfaction of the requirements of the foregoing funds, may, at the option of the township board, be transferred to the bond and interest redemption fund and used for the purpose of calling bonds for redemption in the manner specified in this section, or transferred to the improvement fund; provided, however, that if there should be any deficit in the operation and maintenance fund, bond and interest redemption fund, including the bond reserve account, or the replacement fund on account of defaults in setting aside therein the amounts required before in this section, then transfers shall be made from the moneys remaining in the receiving fund at the end of any operating year to such funds in the priority and order named, to the extent of such deficits.

(Comp. Ords. 1987, § 25.162)

Sec. 66-153. Transfer of moneys.

If the moneys in the receiving fund are insufficient to provide for the current requirements of the operation and maintenance fund or the bond and interest redemption fund, any moneys and/or securities in other funds of the system shall be transferred first to the operation and maintenance fund, and second to the bond and interest redemption fund to the extent of any deficit therein.

(Comp. Ords. 1987, § 25.163)

Sec. 66-154. Investments.

Moneys in the bond and interest redemption fund and moneys in any other fund, including the receiving fund and the operation and maintenance fund, and moneys derived from the proceeds of sale of the bonds may be invested in obligations of the United States of America subject to limitations prescribed in Act 94, and 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 from which such purchase was made. Income received from such investments shall be credited to the fund from which such investments were made.

(Comp. Ords. 1987, § 25.164)

Sec. 66-155. Applicable legislation.

The bonds shall be sold and the proceeds applied in accordance with the provisions of Act 94.

(Comp. Ords. 1987, § 25.165)

Sec. 66-156. Proceeds of bond sale.

(a) The proceeds of the sale of the bonds authorized in this subdivision to be issued shall be deposited in the Second National Bank of Saginaw, Michigan, a federal reserve system member bank. From the proceeds of sale of the bonds, there shall be immediately transferred to the bond and interest redemption fund the accrued interest, any premium received on sale and delivery of the bonds and a sum sufficient to pay interest on the bonds for the period for which interest is capitalized. In addition, there shall be transferred from the proceeds of sale of the bonds, immediately upon the receipt thereof, the sum of

\$1,500.00 to meet operation and maintenance expenses of the system before adequate revenues are earned by the system therefor. The balance of such proceeds shall be applied solely in payment of the cost of the public improvements described before in this subdivision and any engineering, legal and other expenses incident thereto and to the financing thereof. Payments for construction, either on account or otherwise, shall not be made unless the registered engineer in charge of such work shall file with the township board a signed statement to the effect that the work has been completed in accordance with the plans and specifications therefor, that it was done pursuant to and in accordance with the contract therefor, and that such work is entirely satisfactory.

(b) Any unexpended balance of the proceeds of sale remaining, after acquisition and completion of the public improvements authorized in this subdivision, may, in the discretion of the township board, and to the extent of 15 percent of the amount of the bonds authorized by this subdivision, be used for further improvements, enlargements and extensions to the system; provided, that at the time of such expenditure, such use be approved by the municipal finance commission. Any remaining balance after such expenditure shall be paid into the bond and interest redemption fund and shall be used for the redemption of callable bonds or, prior to the first call date only, purchasing bonds on the open market at not more than the fair market value thereof.

(Comp. Ords. 1987, § 25.166)

Sec. 66-157. Covenants.

The township covenants and agrees with the successive holders of the bonds and coupons that, so long as any of the bonds remain outstanding and unpaid as to either principal or interest, the township:

- (1) Will maintain the system in good repair and working order and will operate the same efficiently and will faithfully and punctually perform all duties with reference to the system required by the Constitution and laws of the state, including the making and collecting of sufficient rates for water services rendered by the system, and the segregation and application of the revenues of the system in the manner provided in this subdivision.
- (2) Will cause to be maintained and kept proper books of record and account, separate from all other records and accounts of the township, in which shall be made full and correct entries of all transactions relating to the system. Not later than 60 days after the close of each operating year, the township board will cause to be prepared on forms furnished by the municipal finance commission, if such forms are available, a statement in reasonable detail, sworn to by its chief accounting officer, showing the cash income and disbursements of the system during each operating year, the assets and liabilities of the system at the beginning and close of the fiscal year, and such other information as is necessary to enable any taxpayer of the township, user of the service furnished, or any holder or owner of the bonds or anyone acting in their interest to be fully informed as to all matters pertaining to the financial operation of the system during such year. A certified copy of such

statement shall be filed within 75 days after the close of each operating year with the municipal finance commission, and a copy sent to the manager of the account purchasing the bonds. Such statement and books of record and account shall at all reasonable times be open to inspection by any taxpayer of the township, user of the service, or holder of any bonds or anyone acting in their behalf. The township board will also cause an annual audit of such books of record and account for the preceding operating year to be made each year by a recognized independent certified public accountant, and will mail a copy of such audit to the manager of the syndicate or account purchasing the bonds. Such audit shall be completed and so made available not later than three months after the close of each operating year.

- (3) Will maintain and carry, for the benefit of the holders of the bonds, insurance on all physical properties of the system, of the kinds and in the amounts normally carried by public utility companies and municipalities engaged in the operation of water supply systems. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and, to the extent not so used, shall be used for the purpose of calling bonds.
- (4) Will not sell, lease or dispose of the system, or any substantial part thereof, until all of the bonds have been paid in full, both as to principal and interest. The township further will cause the operation of the system to be carried on as economically as possible, will cause to be made to the system all repairs and replacements necessary to keep the same in good repair and working order, and will not do or suffer to be done any act which would affect the system in such a way as to impair or affect unfavorably the security of the bonds. The township board will cause the public improvements to be acquired promptly and in accordance with the engineers' plans and specifications therefor. The township further covenants that it will not operate a competing water facility and, within the limits permitted by law, will not grant a franchise for any competing water facility.

(Comp. Ords. 1987, § 25.167)

Sec. 66-158. Additional bonds.

The right is reserved, in accordance with the provisions of Act 94, to issue additional bonds payable from the revenues of the system which shall be of equal standing with the bonds authorized in this subdivision, but only for the following purposes:

- (1) To complete the acquisition and construction of the public improvements in accordance with the plans and specifications therefor, and such bonds shall not be authorized unless the consulting engineers, or the successor engineers in charge of construction, shall execute a certificate evidencing the fact that additional funds are needed to complete the public improvements in accordance with the plans and specifications therefor. If such certificate shall be so executed and filed with the township clerk, it shall be the duty of the township board to provide for and issue additional bonds in the amount stated in the certificate to be necessary to complete the public improvements in accordance with the plans and specifications.

(2) For subsequent extensions and improvements to the system; provided, that no such additional bonds shall be issued unless the average annual net revenues for the last two preceding completed operating years of the system, or the net revenues for the last completed operating year, whichever is lower, when supplemented by the net revenues estimated to accrue from an increase in rates to be put into effect at the time such additional bonds are authorized, and/or the net revenues estimated to accrue from the extension and improvements to be acquired and constructed from such additional bonds, shall be equal to at least 1 1/3 times the largest annual principal and interest requirements thereafter maturing on the bonds authorized in this subdivision, on any then previously issued bonds of equal standing with the bonds authorized in this subdivision, and on such additional bonds then being issued. Prior to the issuance of any additional bonds pursuant to this subsection, there shall be filed with the township clerk a statement showing the average annual net revenues for the two preceding completed operating years, the additional net revenues reflecting the application of the increased rates and the additional net revenues estimated to accrue from the extensions and improvements to be acquired from the proceeds of sale from such additional bonds and the annual principal and interest requirements on all outstanding bonds payable from revenues of the system and the bonds proposed to be issued. Such statement shall be executed by a registered engineer appointed by the township. Permission of the municipal finance commission, or such other state body having jurisdiction over the issuance of municipal bonds, to issue such additional bonds shall constitute a conclusive presumption of the existence of conditions permitting the issuance thereof. Except as authorized in this subdivision, no additional bonds having equal standing with the bonds of this issue shall be authorized or issued.

(Comp. Ords. 1987, § 25.168)

Sec. 66-159. Form of bonds and coupons.

Bonds and coupons shall be in substantially the following form:

UNITED STATES OF AMERICA
 STATE OF MICHIGAN
 COUNTY OF SAGINAW
 TOWNSHIP OF TITTABAWASSEE
 WATER SUPPLY AND DISTRIBUTION SYSTEM
 REVENUE BOND

No. _____

\$1,000.00

KNOW ALL MEN BY THESE PRESENTS that the TOWNSHIP OF TITTABAWASSEE, County of Saginaw, State of Michigan, for value received hereby promises to pay to the bearer or, if registered, to the registered holder hereof, but only out of the revenues of the Water Supply and Distribution System of the Township of Tittabawassee, including all appurtenances, extensions, additions and improvements thereto, the sum of

ONE THOUSAND DOLLARS

on the first day of April, A. D., 19 ____, with interest thereon from the date hereof until paid at the rate of _____ percent (%) per annum, payable on October 1, 1962, and semi-annually thereafter on the first day of April and October of each year, upon presentation and surrender of the proper interest coupons hereto attached as they severally become due. Both principal of and interest on this bond are payable in lawful money of the United States of America at _____ and, for the prompt payment thereof, the gross revenues of said Water Supply and Distribution System, including all appurtenances, extensions, additions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, administration and maintenance are hereby irrevocably pledged and a statutory first lien thereon is hereby created.

This bond is one of a series of two hundred eighty (280) bonds of even date and like tenor except as to rate of interest and date of maturity, aggregating the principal sum of \$280,000.00, numbered consecutively in direct order of maturity from 1 to 280, inclusive, issued pursuant to Ordinance No. _____ adopted by the Township Board on _____, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, for the purpose of defraying the cost of acquiring and constructing a Water Supply and Distribution System for the Township of Tittabawassee.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement-of the conditions under which additional bonds of equal standing may hereafter be issued, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above-described Ordinance.

Bonds of this issue numbered 1 to 47, inclusive, maturing in the years 1965 to 1972, inclusive, are not subject to prior redemption.

The right is reserved of redeeming bonds numbered 48 to 280, inclusive, maturing in the years 1973 to 1992, inclusive, at the option of the Township, in inverse numerical order, on any interest payment date on or after April 1, 1972, at par and accrued interest, plus a premium as follows:

\$50.00 on each bond called for redemption on or after April 1, 1972, but on or before April 1, 1979;

\$40.00 on each bond called for redemption after April 1, 1979, but on or before April 1, 1982;

\$30.00 on each bond called for redemption after April 1, 1982, but on or before April 1, 1985;

\$20.00 on each bond called for redemption after April 1, 1985, but on or before April 1, 1988;

\$10.00 on each bond called for redemption after April 1, 1988, but on or before April 1, 1991;

No premium shall be paid on bonds called for redemption after April 1, 1991.

Thirty (30) days' notice of the call of any bonds for redemption shall be given by publication in a paper circulated in the State of Michigan which carries, as part of its regular service, notices of sale of municipal bonds and, in case of registered bonds, thirty (30) days' notice shall be given by mail to the registered address. Bonds so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the paying agent to redeem said bonds.

This bond is a self-liquidating bond and is not a general obligation of the Township of Tittabawassee, and does not constitute an indebtedness of the Township of Tittabawassee within any constitutional or statutory limitation, and is payable, both as to principal and interest, solely from the revenues of said Water Supply and Distribution System of the Township. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned.

The Township of Tittabawassee hereby covenants and agrees to fix and maintain at all times while any of such bonds shall be outstanding, such rates for service furnished by said Water Supply and Distribution System as shall be sufficient to provide for payment of the interest upon and the principal of all such bonds as and when the same become due and payable, and to create a Bond and Interest Redemption Fund (including a Bond Reserve Account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of said Water Supply and Distribution System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for said system as are required by said Ordinance.

This bond and the interest thereon are exempt from any and all taxation whatsoever by the State of Michigan or by any taxing authority within said State.

This bond may be registered as to principal only on the books of the Township Treasurer in the name of the holder, and such registration noted on the back hereof by the Township Treasurer, after which no transfer shall be valid unless made on the books and noted on the back hereof in like manner, but transferability by delivery may be restored by registration to bearer. Such registration shall not affect the negotiability of the interest coupons.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond, and the series of which this is one, have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the Township of Tittabawassee, County of Saginaw, State of Michigan, by its Township Board, has caused this bond to be signed in the name of said Township by its Supervisor and to be countersigned by its Township Clerk, and the corporate seal of the Township to be hereunto affixed, and the coupons hereto attached to be signed by the facsimile signatures of said Supervisor and Township Clerk, all as of the first day of April, A.D. 1962.

TOWNSHIP OF TITTABAWASSEE

By _____
Supervisor

UTILITIES

§ 66-160

(Seal)

Countersigned:

Township Clerk

(Form of Coupon)

No. _____

On the first day of _____ A.D., 19____, the Township of Tittabawassee, County of Saginaw, State of Michigan, will pay to the bearer hereof the sum of _____ Dollars, in the manner and out of the revenues described in said bond, at _____ being the semi-annual interest due that date on its Water Supply and Distribution System Revenue Bond, dated April 1, 1962, No. _____. This coupon is not a general obligation of the Township of Tittabawassee, but I payable from certain revenues as set forth in the bond to which it pertains.

Supervisor

Township Clerk

REGISTRATION
NOTHING TO BE WRITTEN HEREON EXCEPT
BY THE TOWNSHIP TREASURER

Date of Registration	:	Name of Registered Owner	:	Address	:	Registrar
_____	:	_____	:	_____	:	_____
_____	:	_____	:	_____	:	_____
_____	:	_____	:	_____	:	_____
_____	:	_____	:	_____	:	_____

(Comp. Ords. 1987, § 25.169)

Sec. 66-160. Authority to issue and sell bonds.

The township clerk is hereby authorized and directed to make application to the municipal finance commission for authority to issue and sell the bonds, and for approval of the form of notice of sale of such bonds in accordance with the provisions of Public Act No. 202 of 1943 (MCL 131.1 et seq.) and of Act 94.

(Comp. Ords. 1987, § 25.170)

Secs. 66-161-66-175. Reserved.

Subdivision III. Series 11-1967

Sec. 66-176. Definitions.

Whenever used in this subdivision or in the bonds to be issued under this subdivision, except where otherwise indicated by the context, the following terms shall be construed to have the meanings ascribed in this section:

1961 Ordinance means sections 66-141 through 66-160, pursuant to which \$280,000.00 water supply and distribution system revenue bonds, dated April 1, 1962, were issued.

Net revenues means as defined in section 3 of Act 94 (MCL 141.103).

Outstanding revenue bonds means the revenue bonds issued pursuant to sections 66-141 through 66-160.

Project means the improvements to the water supply and distribution system of the township to be made pursuant to this subdivision.

System means the complete water supply and distribution system of the township, as defined with particularity in section 66-143.
(Comp. Ords. 1987, § 25.201)

Cross reference-Definitions generally, § 1-2.

Sec. 66-177. Necessity to acquire project.

The township board hereby determines it to be necessary for the public health and welfare of the township to acquire the project, all in accordance with proposals and specifications therefor prepared by Edmands Engineering, Inc., Engineers, of Bay City, Michigan.
(Comp. Ords. 1987, § 25.202)

Sec. 66-178. Cost; period of usefulness.

The cost of the project, as estimated by the engineers in the amount of \$39,000.00, including engineering, legal, financing and other incidental expenses in relation thereto, is hereby approved and confirmed. The period of usefulness of the project has been estimated by the engineers to be not less than 40 years, which estimate is hereby approved and confirmed.
(Comp. Ords. 1987, § 25.203)

Sec. 66-179. Payment of cost.

To pay the cost of acquiring the project, including the payment of engineering, legal, financing and other incidental expenses in relation thereto, it is hereby determined that there be borrowed upon the credit of the net revenues of the system the additional sum of \$39,000.00, and that revenue bonds be issued therefor under the provisions of Act 94, such bonds to be of equal standing and priority and being equally secured with the outstanding revenue bonds.
(Comp. Ords. 1987, § 25.204)

Sec. 66-180. Bond data.

(a) The additional issue of bonds shall be designated "water supply and distribution system revenue bonds, series II," and shall be not general obligations of the township but revenue bonds payable out of the net revenues of the system, and shall consist of 39 coupon bonds of the denomination of \$1,000.00 each, dated as of August 1, 1967, numbered consecutively in direct order of maturity from one upwards, and payable serially as follows:

\$1,000.00, April 1, 1968;

\$2,000.00, April 1 of each year from 1969 to 1987, inclusive.

Such bonds shall bear interest at a rate to be determined on public sale thereof, but in any event not exceeding five percent per annum, payable on October 1, 1967, and semiannually thereafter on April 1 and October 1 of each year, both principal and interest to be payable at Citizens Commercial & Savings Bank, Flint, Michigan, a bank qualified to act as paying agent under Michigan statutes.

(b) Bonds maturing in the years 1978 to 1987, inclusive, shall be subject to redemption prior to maturity at the option of the township, in inverse numerical order, on any interest payment date on or after April 1, 1977.

(c) Bonds called for redemption shall be redeemed at par and accrued interest to the date fixed for redemption, plus a premium, stated in a percentage of par value, as follows:

Three percent on each bond called for redemption on or after April 1, 1977, but prior to April 1, 1980;

Two percent on each bond called for redemption on or after April 1, 1980, but prior to April 1, 1983;

One percent on each bond called for redemption on or after April 1, 1983, but prior to April 1, 1986;

No premium shall be paid on bonds called for redemption on or after April 1, 1986."

(d) Thirty days' notice of the call of any bonds for redemption shall be given by publication in a paper circulated in the state which carries, as part of its regular service, notices of sale of municipal bonds, and in case of registered bonds, 30 days' notice shall be given by mail to the registered address. Bonds so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the paying agent to redeem such bonds.

(e) Bonds may be registered as to principal only in the manner and with the effect set forth on the face thereof, as provided in this subdivision. Such bonds shall be signed by the supervisor and countersigned by the township clerk, shall have the township seal affixed thereto, and shall have interest coupons attached bearing the facsimile signatures of the supervisor and township clerk; and such officials, by the execution of such bonds, shall adopt as and for their own proper signatures their respective facsimile

signatures on the coupons. After execution, the bonds will be held by the township treasurer pending delivery to the purchaser.

(Comp. Ords. 1987, § 25.205)

Sec. 66-181. Bond reserve account.

All of the provisions of section 66-152(2) relative to the use of bond reserve account moneys, the maintenance thereof, and other details thereof, shall be as specified in the 1961 Ordinance (sections 66-141 through 66-160 of this Code); such bond reserve account moneys to be considered as a reserve for the payment of principal of and interest on all bonds payable from the net revenues of the system.

(Comp. Ords. 1987, § 25.206)

Sec. 66-182. Rates, billing and enforcement; management.

The rates charged for the use of the system, the billing and enforcement of collection thereof, and the general management of the system shall be as provided in the 1961 Ordinance (sections 66-141 through 66-160 of this Code).

(Comp. Ords. 1987, § 25.207)

Sec. 66-183. Applicability of 1961 Ordinance; purpose.

Except as otherwise provided by this subdivision, all the provisions and covenants of the 1961 Ordinance (sections 66-141 through 66-160 of this Code) shall apply to the bonds issued pursuant to this subdivision the same as though each of such provisions and covenants was repeated in this subdivision in detail, the purpose of this subdivision being to authorize the issuance of additional revenue bonds of equal standing with the outstanding bonds to acquire and construct improvements to the system; bonds for such purpose being authorized by the provisions of section 66-158 upon compliance with the conditions precedent to their issue as therein specified.

(Comp. Ords. 1987, § 25.208)

Sec. 66-184. Bond proceeds.

The proceeds of sale of the bonds authorized in this subdivision to be issued shall be deposited in Freeland State Bank, of Freeland, Michigan, a bank insured with the Federal Deposit Insurance Corporation. Any premium or accrued interest paid by the purchaser of such bonds shall be transferred to the bond and interest redemption fund. The balance of the proceeds of sale shall be used only to pay the cost of the additions and improvements authorized in this subdivision to be made and any engineering, legal or other expenses incidental thereto. Any unexpended balance of the proceeds of sale after completion of the additions and improvements authorized in this subdivision to be made may, to the extent of \$5,850.00, be used for further additions, extensions and improvements to the system; provided, that at the time of such expenditure, the approval of the municipal finance commission to such use be obtained. Any balance remaining after such expenditure or, in the event of no such expenditure, the entire balance shall be paid into the bond and interest redemption fund and shall be used for the redemption of

any callable bonds payable from revenues of the system, or, prior to the first call date only, purchasing any such bonds on the open market at not more than the first call price. The proceeds of sale of the bonds authorized in this subdivision may be invested in direct obligations of the United States of America as authorized by Act 94.

(Comp. Ords. 1987, § 25.209)

Sec. 66-185. Form of bonds and coupons.

Bonds and coupons shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF SAGINAW
TOWNSHIP OF TITTABAWASSEE
WATER SUPPLY AND DISTRIBUTION SYSTEM
REVENUE BOND SERIES II

No. _____
\$1,000.00

KNOW ALL MEN BY THESE PRESENTS that the TOWNSHIP OF TITTABAWASSEE, County of Saginaw, State of Michigan, for value received, hereby promises to pay to the bearer or, if registered, to the registered holder hereof, but only out of the revenues of the Water Supply and Distribution System of the Township, including all appurtenances, extensions and improvements thereto, the sum of

ONE THOUSAND DOLLARS

on the first day of April, A. D., 19 ____, with interest thereon from the date hereof until paid at the rate of _____ percent (%) per annum, payable on October 1, 1967, and semiannually thereafter on the first day of April and October of each year, upon presentation and surrender of the proper interest coupons hereto attached as they severally become due. Both principal of and interest on this bond are payable in lawful money of the United States of America at CITIZENS COMMERCIAL & SAVINGS BANK, Flint, Michigan, and for the prompt payment thereof the gross revenues of the Water Supply and Distribution System of the Township of Tittabawassee, including all appurtenances, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, administration and maintenance are hereby irrevocably pledged and a statutory first lien thereon is hereby created.

This bond is one of a series of thirty-nine (39) bonds of even date and like tenor, except as to rate of interest and date of maturity, aggregating the principal sum of \$39,000.00, issued pursuant to Ordinance No. 17 duly adopted by the Township Board on June 6, 1967, and Ordinance No. 13 duly adopted by the Township Board on December 14, 1961, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, for the purpose of paying part of the cost

of acquiring improvements to the Water Supply and Distribution System of the Township. The bonds of this issue have equal standing and priority and are equally secured with Water Supply and Distribution System Revenue Bonds in the original aggregate principal amount of \$280,000.00, dated April 1, 1962, issued under the provisions of said Ordinance No. 13. For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above-described ordinances.

Bonds maturing in the years 1968 to 1977, inclusive, are not subject to redemption prior to maturity.

The right is reserved of redeeming bonds maturing in the years 1978 to 1987, inclusive, at the option of the Township, in inverse numerical order, on any interest payment date on or after April 1, 1977, at par and accrued interest to the date fixed for redemption, plus a premium as follows:

3% on each bond called for redemption on or after April 1, 1977, but prior to April 1, 1980;

2% on each bond called for redemption on or after April 1, 1980, but prior to April 1, 1983;

1 % on each bond called for redemption on or after April 1, 1983, but prior to April 1, 1986;

No premium shall be paid on bonds called for redemption on or after April 1, 1986.

Thirty (30) days' notice of the call of any bonds for redemption shall be given by publication in a paper circulated in the State of Michigan which carries, as part of its regular service, notices of sale of municipal bonds, and in case of registered bonds, thirty (30) days' notice shall be given by mail to the registered address. Bonds so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the paying agent to redeem said bonds.

This bond is a self-liquidating bond and is not a general obligation of the Township of Tittabawassee and does not constitute an indebtedness of the Township within any constitutional or statutory limitation and is payable, both as to principal and interest, solely from the revenues of the Water Supply and Distribution System of the Township. The principal and interest on this bond are secured by the statutory lien hereinbefore mentioned.

The Township of Tittabawassee hereby covenants and agrees to fix and maintain at all times while any of the bonds shall be outstanding, such rates for service furnished by said Water Supply and Distribution System as shall be sufficient to provide for payment of the interest upon and the principal of all bonds payable from the net revenues of the System as and when the same become due and payable, to create a bond and interest redemption fund (including a bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of said Water Supply and Distribution System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for said System as are required by the authorizing ordinances.

UTILITIES

§ 66-185

This bond and the interest thereon are exempt from any and all taxation whatsoever by the State of Michigan or by any taxing authority within said State.

This bond may be registered as to principal only on the books of the Township Treasurer in the name of the holder and such registration noted on the back hereof by the Township Treasurer, after which no transfer shall be valid unless made on the books and noted hereon in like manner, but transferability by delivery may be restored by registration to bearer. Such registration shall not affect the negotiability of the interest coupons.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond and the series of bonds of which this is one have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the Township of Tittabawassee, County of Saginaw, State of Michigan, by its Township Board, has caused this bond to be signed in the name of said Township by its Supervisor and to be countersigned by its Township Clerk and its corporate seal to be hereunto affixed, and the coupons hereto attached to be signed by the facsimile signatures of said Supervisor and Township Clerk, all as of the first day of August, A.D., 1967.

TOWNSHIP OF TITTABAWASSEE
BY _____
Supervisor

(Seal)

Countersigned:

Township Clerk

(Form of Coupon)

No. _____ \$ _____

On the first day of _____ A.D., 19____, the TOWNSHIP OF TITTABAWASSEE, County of Saginaw, State of Michigan, will pay to the bearer the sum shown hereon, in the manner and out of the revenues described in said bond, at CITIZENS COMMERCIAL & SAVINGS BANK, Flint, Michigan, being the interest due that date on its Water Supply and Distribution System Revenue Bond, Series II, dated August 1, 1967, No. _____.

This coupon is not a general obligation of the Township of Tittabawassee, but is payable from certain revenues as set forth in the bond to which it pertains.

Supervisor

Township Clerk

REGISTRATION
NOTHING TO BE WRITTEN HEREON EXCEPT
BY THE TOWNSHIP TREASURER

Date of Registration	:	Name of Registered Owner	:	Registrar
_____	:	_____	:	_____
	:		:	
_____	:	_____	:	_____
	:		:	
_____	:	_____	:	_____
	:		:	
_____	:	_____	:	_____
	:		:	

(Comp. Ords. 1987, § 25.210)

Sec. 66-186. Municipal finance commission approval.

The township clerk is hereby authorized and directed to make application to the municipal finance commission for authority to issue and sell bonds and for approval of the form of notice of sale in accordance with the provisions of Act 94.

(Comp. Ords. 1987, § 25.211)

Sec. 66-187. Recordation and publication.

Ordinance No. 17, from which this subdivision derives, shall be published in full in Saginaw Press, a newspaper of general circulation in the township qualified under state law to publish legal notices, within two weeks of its adoption, and the same shall be recorded in the ordinance book and such recording shall be authenticated by the signatures of the supervisor and township clerk.

(Comp. Ords. 1987, § 25.215)

Secs. 66-188-66-200. Reserved.

Subdivision N. Junior Lien-1983

Sec. 66-201. Definitions.

In addition to the words and terms elsewhere defined in this subdivision, the following words and terms, as used in this subdivision, shall have the following meanings unless the context or use indicates another or different meaning or intent:

Acquired means and shall be construed to include acquisition by purchase, construction or by any other method.

Additional bonds means bonds issued pursuant to section 66-218 and subject to the terms of this subdivision.

Bonds means the junior lien bonds and any additional bonds.

Depository bank means Freeland State Bank, 185 E. Washington Street, Freeland, Michigan 48623.

Fiscal year means the fiscal year of the township and the operating year of the system commencing April 1, as such year may be changed from time to time.

FmHA means the Farmers Home Administration, an agency of the United States Department of Agriculture. Provisions in this subdivision referencing the FmHA shall be inapplicable in the event the junior lien bonds are not sold to the FmHA and in the event that the government shall no longer be a holder of any of the bonds.

Government means the government of the United States of America.

Junior lien bonds means the \$430,000.00 township water supply and distribution system junior lien revenue bond, authorized to be issued under section 66-203 of this subdivision.

Outstanding bonds means the water supply and distribution system revenue bonds, dated April 1, 1962, authorized by sections 66-141 through 66-160, and the water supply and distribution system revenue bond, series II, dated August 1, 1967, authorized by sections 66-176 through 66-187, and any additional bonds which may be issued on a parity therewith pursuant to the terms of sections 66-141 through 66-160.

Project means the public improvements to the system authorized in this subdivision to be acquired and constructed, consisting of transmission mains, together with appurtenances and attachments thereto as described in the maps, plans and specification therefor referenced in this section.

Revenues and *net revenues* mean and shall have the meanings with respect to the system as are set forth in: section 3 of Act 94, and shall include the earnings on the investment of funds of the system (including the project), and of funds deposited in the receiving fund pursuant to section 66-212.

Subdivision means this subdivision and any ordinance or resolution of the township amendatory or supplemental to this subdivision, including ordinances or resolutions authorizing issuance of additional bonds.

System means the township's water supply and distribution system, including such facilities thereof as are now existing, are acquired and constructed as the project, and all enlargements, extensions, repairs and improvements thereto hereafter made.

(Comp. Ords. 1987, § 25.221)

Cross reference-Definitions generally, § 1-2.

Sec. 66-202. Necessity to construct project.

It is hereby determined to be necessary for the public health and welfare of the township, in accordance with detailed maps, plans and specifications therefor prepared by Edmands Engineering, Inc., consulting engineers of Bay City, Michigan (lithe engineers"), to proceed to acquire and construct the project.
(Comp. Ords. 1987, § 25.222)

Sec. 66-203. Cost; period of usefulness.

The cost of the project has been estimated to be \$587,000.00, including the payment of incidental expenses as specified in section 66-204, which estimate of cost is hereby approved and confirmed. The period of usefulness of the project is estimated to be not less than 40 years.
(Comp. Ords. 1987, § 25.223)

Sec. 66-204. Payment of costs.

To pay the part of the cost of acquiring and constructing the project, including legal, engineering and financial expenses, and other expenses incident thereto and incident to the issuance and sale of the junior lien bond, it is hereby determined that the township borrow the sum of \$430,000.00, and that revenue bonds be issued therefor pursuant to the provisions of Act 94. The balance of the cost of the project will be paid from other funds of, or available to, the township legally available therefor.
(Comp. Ords. 1987, § 25.224)

Sec. 66-205. Bond data and sale.

(a) The junior lien bond shall be-designated "water supply and distribution system junior lien revenue bond," shall be dated as of the date of delivery, shall consist of one single fully registered bond in the denomination of \$430,000.00, and shall be payable in principal installments serially on April 1 of each year, as follows:

<i>Principle Installment Amount</i>	<i>Year</i>	<i>Principle Installment Amount</i>	<i>Year</i>
\$1,000.00	1984 through	11,000.00	1999
	1987, inclusive	12,000.00	2000
3,000.00	1988, 1989 and	13,000.00	2001
	1990	15,000.00	2002
4,000.00	1991 and 1992	17,000.00	2003
5,000.00	1993	19,000.00	2004
6,000.00	1994	21,000.00	2005
7,000.00	1995	23,000.00	2006
8,000.00	1996	25,000.00	2007
9,000.00	1997	27,000.00	2008
10,000.00	1998		

UTILITIES

§ 66-206

<i>Principal Installment Amount</i>	<i>Year</i>	<i>Principal Installment Amount</i>	<i>Year</i>
30,000.00	2009	39,000.00	2012
33,000.00	2010	43,000.00	2013
36,000.00	2011		

(b) The principal installments of the junior lien bond will each bear interest from the date of delivery of such installment to the holder thereof as provided in registration grid set forth on the junior lien bond at the rate of 10⁵/₈ percent per annum, payable on the first day of April or October following the date of delivery of such installment, and semiannually thereafter on April 1 and October 1 of each year until maturity or earlier prepayment of the installment. The junior lien bond shall not be convertible or exchangeable into more than one fully registered bond.

(c) The junior lien bond shall be issued in fully registered form. Principal of and interest on the junior lien bond shall be payable in lawful money of the United States of America by check mailed to the registered holder at the address of the registered holder as shown on the registration books of the township kept by the township treasurer, who shall act as transfer agent and registrar; provided, however, that if and at such time as the junior lien bond is transferred to or held by any registered owner other than the FmHA, the township may appoint a bank or trust company qualified under state law to act as transfer agent and registrar. If the FmHA shall no longer be the registered owner of the junior lien bond, then the principal of and the interest on the junior lien bond shall be payable to the registered owner of record as of the 15th day preceding the payment date. Such date of determination of the registered owner for purposes of payment of principal or interest may be changed by the township to conform to future market practice.

(d) The sale of the junior lien bond to the FmHA at an interest rate of 10⁵/₈ percent per annum and at the par value thereof is hereby approved. The township treasurer is hereby authorized to deliver the junior lien bond in accordance with the delivery instructions of the FmHA, after approval thereof by the municipal finance commission, if such approval is at that time required.

(e) The junior lien bond or installments thereof will be subject to prepayment prior to maturity, in the manner and at the times as provided in the form of the junior lien bond set forth in section 66-208. (Comp. Ords. 1987, § 25.225)

Sec. 66-206. Bond transfer.

(a) Any bond may be transferred, upon the books required to be kept pursuant to this section, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any bond shall be surrendered for transfer, the township shall execute and the transfer agent shall register and deliver a new bond in like aggregate principal amount. The transfer agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The township shall not be required to:

- (1) Issue, register the transfer of, or exchange any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of bonds selected for redemption under section 66-208 and ending at the close of business on the day of that mailing; or
- (2) Register the transfer of or exchange any bond so selected for redemption.

(b) The transfer agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the bonds, which shall at all times be open to inspection by the township. The transfer agent shall transfer or cause to be transferred on such books bonds presented for transfer, as before provided in this section and subject to such reasonable regulations as it may prescribe.
 (Comp. Ords. 1987, § 25.226)

Sec. 66-207. Execution and delivery.

The junior lien bond shall be signed by the township supervisor and countersigned by the township clerk, and shall have the corporate seal of the township impressed thereon. The junior lien bond may be signed and countersigned with the facsimile signatures of the township supervisor and township clerk, and a facsimile of the corporate seal of the township printed thereon if permitted by law. After execution, the junior lien bond shall be held by the township treasurer for delivery to the FmHA. No junior lien bond or any installment thereof shall be valid until registered by the township treasurer, or upon transfer by the FmHA and thereafter, by an authorized officer of the transfer agent. From time to time, as necessary, after the FmHA shall have transferred the junior lien bond, executed blank bonds for registration of transfer may be delivered to the transfer agent for safekeeping.
 (Comp. Ords. 1987, § 25.227)

Sec. 66-208. Form of bond.

The form and tenor of the bond shall be substantially as follows, subject to appropriate variation upon issuance of additional bonds:

REGISTERED

UNITED STATES OF AMERICA
 STATE OF MICHIGAN
 COUNTY OF SAGINAW
 TOWNSHIP OF TITTABAWASSEE
 WATER SUPPLY AND DISTRIBUTION SYSTEM
 JUNIOR LIEN REVENUE BOND

No.1

\$430,000.00

The Township of Tittabawassee; County of Saginaw, State of Michigan (the "Township"), for value received, hereby promises to pay to the registered holder hereof, but only out of the hereinafter described Net Revenues of the Water Supply and Distribution System of the Township, including all appurtenances, additions, extensions and improvements thereto (the "System"), the sum of FOUR HUNDRED THIRTY THOUSAND DOLLARS on the dates and in the principal installment amounts set forth in Exhibit A attached hereto and made a part hereof, with interest on said installments from the date each said installment is delivered to the holder hereof and as set forth on the registration grid hereon until paid at the rate of $10\frac{5}{8}$ percent per annum, payable on _____, 19 ____, and semiannually thereafter. Both principal of and interest on this bond are payable in lawful money of the United States of America by check mailed to the registered holder at the address shown on the registration books of the Township and for the prompt payment thereof, the gross revenues of the System, after provision has been made for reasonable and necessary expenses of operation, administration maintenance thereof (the "Net Revenues"), and for the requirements of the outstanding Water Supply and Distribution System Revenue Bonds, authorized by Ordinance No. 13 in the original principal amount of \$280,000.00 and by Ordinance No. 17 in the original principal amount of \$39,000.00 (the "Outstanding Bonds"), are hereby irrevocably pledged and a statutory lien thereon is hereby created which is a second lien subject only to the prior lien in favor of the Outstanding Bonds.

This bond is a single, fully registered, non-convertible bond in the principal sum of \$430,000.00, issued pursuant to Ordinance No. _____, duly adopted by the Township on _____, 198____, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, for the purpose of paying part of the cost of acquiring and constructing improvements to the System, including generally transmission mains and attachments and appurtenances necessary thereto. For a complete statement of the revenues from which, and the conditions under which this bond is payable, a statement of the conditions under which the additional bonds of equal and prior standing may hereafter be issued, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above-described ordinances.

Principal installments of this bond are subject to prepayment prior to maturity, in inverse chronological order, at the option of the Township on any interest payment date on or after April 1, 1984, at par and accrued interest to the date fixed for prepayment.

Thirty days' notice of the call of any principal installments for prepayment shall be given by mail to the registered holder at the registered address. The principal installments so called for prepayment shall not bear interest after the date fixed for prepayment, provided funds are on hand to prepay said installments.

This bond shall be registered as to principal and interest on the books of the Township kept by the transfer agent and registrar and noted hereon, after which it shall be transferable only upon presentation to such transfer agent and registrar with a written transfer satisfactory to such transfer agent and registrar by the registered holder or his attorney in fact. Such transfer shall be noted hereon and upon the books of the Township kept for that purpose.

This bond may not be converted to or exchanged for a bond with coupons or into any other instrument.

This bond is a self-liquidating bond and is not a general obligation of the Township and does not constitute an indebtedness of the Township within any constitutional or statutory limitation, but is payable, both as to principal and interest, solely from the Net Revenues of the System after provision for the requirements of the Outstanding Bonds.

The Township hereby covenants and agrees to fix and maintain at all times while any installments of this bond shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest upon and the principal of all such installments of this bond payable from the Net Revenues of the System as and when the same become due and payable, and to create a bond and interest redemption fund (including a bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the Systems as are required by the above-described Ordinances.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the TOWNSHIP OF TITTABAWASSEE, County of Saginaw, State of Michigan, by its Township Board, has caused this bond to be signed in the name of said Township by its Township Supervisor and to be countersigned by its Township Clerk, and its corporate seal to be hereunto affixed, all as of _____, 19____.

TOWNSHIP OF TITTABAWASSEE
COUNTY OF SAGINAW
STATE OF MICHIGAN

Township Supervisor

(SEAL)
Countersigned:

Township Clerk

REGISTRATION
NOTHING TO BE WRITTEN HEREON EXCEPT
BY THE REGISTRAR

Date of Registration: _____

Name of Registered Owner: _____

United States of America

Farmers Home Administration

Principal Installment Delivered: _____

Signature of Registrar: _____

EXHIBIT A

<i>Principal Installment Due on April 1</i>	<i>Amount of Principal Installment</i>	<i>Principal Installment Due on April 1</i>	<i>Amount of Principal Installment</i>
1984	\$ 1,000.00	1999	\$11,000.00
1985	1,000.00	2000	12,000.00
1986	1,000.00	2001	13,000.00
1987	1,000.00	2002	15,000.00
1988	3,000.00	2003	17,000.00
1989	3,000.00	2004	19,000.00
1990	3,000.00	2005	21,000.00
1991	4,000.00	2006	23,000.00
1992	4,000.00	2007	25,000.00
1993	5,000.00	2008	27,000.00
1994	6,000.00	2009	30,000.00
1995	7,000.00	2010	33,000.00
1996	8,000.00	2011	36,000.00
1997	9,000.00	2012	39,000.00
1998	10,000.00	2013	43,000.00

(Comp. Ords. 1987, § 25.228)

Sec. 66-209. Security.

Neither the bonds nor the interest thereon shall be a general obligation of the township but each shall be payable solely from the net revenues after provision has been made for the outstanding bonds and any additional bonds of equal standing with the outstanding bonds. To pay such principal and interest as and when the same shall become due, there is hereby created a statutory lien upon the whole of the net revenues of the system after provision for the requirements of the outstanding bonds subject only to the prior lien in favor of the outstanding bonds and any additional bonds of equal standing with the outstanding bonds, to continue with respect to any other bonds until the payment in full of the principal of and interest on the bonds.

(Comp. Ords. 1987, § 25.229)

Sec. 66-210. Budget.

Prior to the beginning of each fiscal year, and immediately upon June 3, 1983, for the remainder of the current fiscal year, the township shall prepare an annual budget of the system for the ensuing fiscal

year itemized on the basis of monthly requirements, a copy of which shall be mailed without request by the FmHA to the FmHA (if and as long as the government is holder of any of the bonds) for review prior to adoption, and upon written request to any other holders of the bonds.

(Comp. Ords. 1987, § 25.230)

Sec. 66-211. Remedies.

The holder of the bonds may, by suit, action, or other proceedings, protect and enforce the statutory lien established by this subdivision and enforce and compel the performance of all duties of the officials of the township, including, but not limited to, compelling the township by proceedings in a court of competent jurisdiction or other appropriate forum to establish and maintain the rates and charges and to perform the other obligations of the township set forth in this subdivision.

(Comp. Ords. 1987, § 25.231)

Sec. 66-212. Funds-Custodian; types.

The township treasurer shall be custodian of all funds belonging to or associated with the system. Such funds shall be deposited in the depository bank. The township treasurer shall execute a fidelity bond in an amount not less than \$185,000.00 with a surety company licensed to conduct business in the state and approved by the FmHA. The United States of America, acting through the FmHA, and the township shall be named as co-obligees in such bond and the amount thereof shall not be reduced without the prior written consent of the FmHA. The township treasurer is hereby directed to create the following funds and accounts into which the proceeds of the bonds and the revenues shall be deposited in the manner and at the times provided in this subdivision, which accounts shall be established and maintained, except as otherwise provided, so long as any of the bonds remain unpaid, except as otherwise provided in this subdivision:

(1) *Construction fund.*

- a. The proceeds of the junior lien bond shall be deposited in the township water supply and distribution system junior lien construction fund (the "construction fund") in the depository bank. In the event the government is a holder of the junior lien bond, then at the direction of the FmHA the construction fund shall be established as a supervised bank account and such proceeds shall be withdrawn on the orders of the township only on checks signed by the township treasurer and countersigned by the district director of the FmHA. Such moneys shall be used solely for the purposes for which the junior lien bond was issued.
- b. Any unexpended balance of the proceeds of the sale of the junior lien bond remaining after completion of the project authorized in this subdivision may be used for further improvements, enlargements and extensions of the system in the discretion of the township; provided, that at the time of such expenditure, such use be approved by the municipal finance commission (if such

approval is then required by law). Any remaining balance after such expenditure shall be paid into the junior lien redemption fund, as provided in this subdivision, and shall be credited to the junior lien bond reserve account or used for the prepayment of installments of the junior lien bond.

- c. After completion of the project and disposition of remaining proceeds, if any, of the junior lien bond pursuant to the provisions of this section, the construction fund shall be closed.
- (2) *Receiving fund.* Pursuant to section 66-152, the revenues of the system shall continue to be deposited in the receiving fund established by sections 66-141 through 66-160 (the "receiving fund"), and moneys so deposited therein shall be transferred, expended and used only in the manner and order as follows:
- a. *Operation and maintenance fund.* There shall first be withdrawn from the receiving fund quarterly and set aside in and transferred to the operation and maintenance fund, established by sections 66-141 through 66-160, an amount sufficient to meet the requirements of section 66-152, relative to the operation and maintenance fund, which amount shall be sufficient to pay the reasonable and necessary current expenses for the ensuing quarter of administering, operating and maintaining the system, including the project.
 - b. *Outstanding bond requirements.* There shall next be withdrawn from the receiving fund quarterly and set aside in and transferred to the bond and interest redemption fund, established by sections 66-141 through 66-160, revenues sufficient to meet all requirements for the bond and interest redemption fund, including the bond reserve account, as established in section 66-152 and section 66-181, and the revenues so deposited shall be used as required by sections 66-141 through 66-160 and sections 66-176 through 66-187.
- c. *Junior lien revenue bond-bond and interest redemption fund.*
1. There is hereby established a separate account known as the junior lien revenue bond-bond and interest redemption fund (the "junior lien redemption fund"). After the transfers required in subsections a. and b. above, and after meeting all of the requirements for outstanding bonds as specified in section 66-152 and section 66-181, revenues shall be withdrawn quarterly, except as otherwise provided in this subsection, from the receiving fund, before any other expenditures or transfers therefrom, and set aside in and transferred to the junior lien redemption fund for payment of principal and interest on the junior lien bond and to fund the junior lien bond reserve account established in this section. Upon any delivery of an installment of the junior lien bond, there shall be set aside at the time of such delivery and on the first day of each quarter of the fiscal year thereafter to the next interest payment date an amount equal to that fraction of the amount of interest due on the next interest payment date on such installment so delivered, the numerator of which is one and the denominator of

which is the number of full and partial quarters from the date of such delivery to the next interest payment date. There shall also be set aside each quarter of the fiscal year and amount not less than one-half of the amount of interest due on the next interest payment date on all outstanding installments of the junior lien bond not delivered during the then-current interest payment period. Upon any delivery of an installment of the junior lien bond, there shall also be set aside at the time of such delivery and on the first day of each quarter of the fiscal year thereafter to the next principal payment date an amount equal to that fraction of principal of the junior lien bond due on the next principal payment date on such installment so delivered, the numerator of which is on and the denominator of which is the number of full and partial quarters of the fiscal year from the date of such delivery to the next principal payment date. There shall also be set aside each quarter of the fiscal year an amount not less than one-fourth of the amount of principal due on the next principal payment date on all outstanding installments of the junior lien bond not delivered during the then-current principal payment period.

2. If for any reason there is a failure to make such quarterly deposit in the amounts required, then the entire amount of the deficiency shall be set aside and deposited in the junior lien redemption fund of the revenues first received thereafter which are not required by the subdivision to be deposited in the operation and maintenance fund or in the bond and interest redemption fund, which amount shall be in addition to the regular quarterly deposit required during such succeeding quarter.
3. There is hereby established in the junior lien redemption fund a separate account known as the junior lien bond reserve account. Commencing July 1, 1983, there shall be withdrawn from the receiving fund quarterly and set aside in and transferred to the junior lien bond reserve account the sum of at least \$1,225.00 per quarter until there is accumulated in such fund the sum of \$49,000.00, after provision for the current requirements of the junior lien redemption fund. Except as provided in this subdivision, no further deposits need be made into the junior lien redemption fund for credit to the junior lien bond reserve account once the sum of \$49,000.00 has been credited thereto. Except as provided in this subdivision, moneys in the junior lien bond reserve account shall be used solely for the payment of the principal of and interest on bond as to which there would otherwise be default.
4. If at any time it shall be necessary to use moneys in the junior lien bond reserve account for payment of principal of and interest on the bonds, then the moneys so used shall be replaced from the ret revenues first received thereafter which are not required by this subdivision to be used for current principal and interest requirements for the bonds.

5. No further payments need be made into the junior lien redemption fund after enough of the bonds have been retired so that the amount then held in the junior lien redemption fund, including the junior lien bond reserve account, is equal to the entire amount of principal and interest which will be payable at the time of maturity of the bonds then outstanding.
 6. Any amount on deposit in the junior lien redemption fund in excess of the requirements for paying principal of and interest on bonds due during the ensuing 18 months, plus the requirements of the junior lien bond reserve account, may be used by the township for redemption of bonds in the manner set forth in section 66-208.
 7. The moneys in the junior lien redemption fund and the junior lien bond reserve account shall be invested in accordance with section 66-214, and profit realized or income earned on such investment shall be used or transferred as provided in such section.
- d. *Replacement fund.* There shall next be withdrawn from the receiving fund quarterly and set aside in and transferred to the replacement fund established by section 66-152(3) the sum of at least \$500.00 per quarter until the total sum of \$20,000.00 has been accumulated in the replacement fund, and used for the purpose specified in section 66-152(3).
- e. *Improvement fund.* The balance of the revenues after the transfers required in section 66-152(1) and (2), section 66-181, and subsections (2)a through d of this section, until the total sum of \$20,000.00 has been accumulated, shall be deposited in the improvement fund required to be established pursuant to section 66-152(4), and used for the purpose specified in section 66-152(4).

(Comp. Ords. 1987, § 25.232)

Sec. 66-213. Same-Reverse flow; surplus moneys.

(a) In the event the moneys in the receiving fund are insufficient to provide for the current requirements of the operation and maintenance fund, the bond and interest redemption fund, including the bond reserve account, the junior lien redemption fund, including the junior lien bond reserve account, the replacement fund or the improvement fund, any moneys and/or securities in the funds of the system established by this subdivision shall be transferred first to the operation and maintenance fund, second to the bond and interest redemption fund, third to the junior lien redemption fund, including the junior lien bond reserve account, and fourth to the replacement fund.

(b) All moneys remaining in the receiving fund at the end of any fiscal year after satisfying the requirements of section 66-152(2), section 66-181, and section 66-212(2) may be transferred to:

- (1) The bond and interest redemption fund and used to call outstanding bonds, as provided in sections 66-141 through 66-160 and sections 66-176 through 66-187;

- (2) The junior lien redemption fund and used to call bonds as provided in section 66-208; or
- (3) The improvement fund and used for the purpose for which the improvement fund was established;

Provided however, that if there should be a deficit in the operation and maintenance fund, the bond and interest redemption fund, or the junior lien redemption fund, then moneys so remaining in the receiving fund shall be transferred to the extent of such deficit to the funds in the priority set forth in section 66-212. (Comp. Ords. 1987, § 25.233)

Sec. 66-214. Investments.

(a) Moneys in the funds and accounts established in this subdivision and moneys derived from the proceeds of sale of the bonds may be invested by the township board on behalf of the 'township in government obligations, the principal of and interest on which is fully guaranteed by the United States of America, or certificates of deposit of a bank insured by the Federal Deposit Insurance Corporation. Investment of moneys in the junior lien redemption fund being accumulated for payment of the next maturing principal or interest payment on the bonds shall be limited to government obligations bearing maturity dates prior to the date of the next maturing principal or interest payment on the, bonds. Investment of moneys in the junior lien bond reserve account shall be limited to government obligations bearing maturity dates, or subject to redemption at the option of the holder thereof, not later than five years from the date of the investment. Securities representing investments shall be kept on deposit with the depository bank. Profit realized or interest income earned on investment of funds in the junior lien redemption fund and, at any time after it is fully funded, the junior lien bond reserve account shall be deposited in or credited to the receiving fund.

(b) Moneys in any other fund or account of the system shall be invested and transferred as provided in section 66-154.
(Comp. Ords. 1987, § 25.234)

Sec. 66-215. Rates and charges.

Rates and charges for the services of the system have been fixed pursuant to section 66-148, as such section has been amended from time to time, including Ordinance No. 83-13-RW, in an amount sufficient to pay the expenses of administration, operation and maintenance of the system, to pay the principal and interest requirements on all bonds payable from revenues, including the outstanding bonds and the bonds, and to meet all other requirements and comply with the covenants provided by sections 66-141 through 66-160 and sections 66-176 through 66-187. The township hereby covenants and agrees to fix and maintain at all times, while any of the outstanding bonds and the bonds shall be outstanding, such rates for service furnished by the system as shall be sufficient to provide for the foregoing expenses, requirements and covenants, and to create a bond and interest redemption fund, including a bond reserve account, for all such bonds. The rates and charges for all services and facilities rendered by the system

shall be responsible and just, taking into consideration the costs and value of the system and the cost of maintaining, repairing, and operating the system and the amounts necessary for the retirement of all bonds payable from revenues and accruing interest on such bonds.

(Comp. Ords. 1987, § 25.235)

Sec. 66-216. No free service.

No free service shall be furnished by the system to any individual, firm or corporation, public or private, or to any public agency or instrumentality.

(Comp. Ords. 1987, § 25.236)

Sec. 66-217. Covenants.

The township covenants and agrees that so long as any of the bonds hereby authorized remain unpaid, as follows, the township will:

- (1) Comply with applicable state laws and regulations and continually operate and maintain the system in good condition.
- (2) Comply with provisions and covenants of sections 66-141 through 66-160, as amended, sections 66-176 through 66-187, and this subdivision.
- (3) Bookkeeping.
 - a. Maintain complete books and records relating to the operation and financial affairs of the system. If the government is the holder of any of the bonds, the FmHA shall have the right to inspect the system and the records, accounts, and data relating thereto at all reasonable times.
 - b. Cause an annual audit of such books of record and account for the preceding fiscal year to be made each year by a recognized independent certified public accountant, or will prepare a report for such purpose in forms prepared by the municipal finance commission or state department of treasury, and will mail a copy of such audit or report to the FmHA, or to the manager of the syndicate or account purchasing the bonds, and the municipal finance commission or department of treasury. Such audit shall be completed and so made available not later than three months after the close of each fiscal year.
- (4) Maintain and carry, for the benefit of the holders of the bonds, insurance on all physical properties of the system, of the kinds and in the amounts normally carried by municipalities engaged in the operation of similar systems. All moneys received for losses under any such insurance policies shall be applied at the replacement and restoration of the property damaged or destroyed, and, to the extent not so used, shall be used for the purpose of calling bonds. If the government is a holder of any of the bonds, then such insurance shall be in amounts not less than such amounts as may be specified by Letter of Intent to Meet Conditions, Form FmHA 442.46, and shall be approved by the FmHA.

(5) Not borrow any money from any source or enter into any contract or agreement to incur any other liabilities that may in any way be a lien upon the revenues or otherwise encumber the system so as to impair revenues therefrom, without obtaining the prior written consent of the FmHA, if the government is a holder of any of the bonds, nor shall it transfer or use any portion of the revenues derived in the operation of the system for any purpose not specifically authorized in this subdivision.

(6) Not voluntarily dispose of or transfer its title to the system or any part thereof, including lands and interest in lands, by sale, mortgage, lease or other encumbrances, without obtaining the prior written consent of the FmHA, if it is a holder of any of the bonds.

(7) Agree that any extensions or improvements of the system shall be made according to sound engineering principals and plans and specifications shall be submitted to the FmHA, if the government is the holder of any of the bonds, for prior review.

(Comp. Ords. 1987, § 25.237)

Sec. 66-218. Additional bonds.

(a) The township may issue additional bonds of prior standing to the bonds authorized in this subdivision under the terms and conditions set forth in sections 66-141 through 66-160. The township may issue additional bonds of equal, but not prior, standing with the bonds for any of the following purposes:

- (1) To complete construction of the project according to the plans set forth in section 66-202, in the amount necessary therefor;
- (2) For the purpose of making reasonable repairs, replacements, improvements, enlargements or extensions of the system; or
- (3) To refund any outstanding bonds.

(b) Additional bonds may be issued only if the FmHA, if the government is then the holder of any of the bonds, consents to such issue in writing; and unless the FmHA holds all of the bonds, the augmented net revenues, as defined in this section, of the system were 120 percent of the average annual debt service requirements on all bonds then outstanding and those additional bonds proposed to be issued, net of any bonds to be refunded by the additional bonds.

(c) For the purposes of this section, the term "augmented net revenues" shall mean the net revenues of the system for the fiscal year preceding the fiscal year in which the additional bonds are to be issued, adjusted to reflect the effect of any increase in sales and charges:

- (1) Placed in effect during such fiscal year, but not in effect for the whole fiscal year;
- (2) Placed in effect subsequent to such fiscal year; or
- (3) Scheduled, at the time the proposed additional bonds are authorized,

to be placed in effect before principal of and interest on the proposed additional bonds become payable from revenues, and augmented by any increase in revenues or decrease in expenses estimated to accrue from the repairs, improvements, enlargements or extensions to be acquired from the proceeds of the proposed additional bonds. Such adjustments and augmentations shall be established by certificate of an independent consulting engineer filed with the township clerk. If additional bonds are to be issued within four months subsequent to the start of a fiscal year, the ratio of augmented net revenues to average annual debt service requirements may be determined based upon the results of either of the two fiscal years ending within the 16 months preceding the date of issuance of the additional bonds.

(d) Permission of the municipal finance commission, or such other body or agency of the state then having jurisdiction over the issuance of municipal bonds, to issue such additional bonds shall be conclusive as to the existence of conditions permitting the issuance thereof. In the event permission of the municipal finance commission, or such other body or agency, is not then required to issue such additional bonds, then the adoption by the township board of an ordinance authorizing the issuance of such additional bonds shall be conclusive as to the existence of conditions permitting the issuance thereof.

(e) The funds established by this subdivision shall be applied to all additional bonds; all revenues from any such completion, repair, replacement, improvement, enlargement or extension financed from the proceeds of the additional bonds shall be paid, as received, into the receiving fund.

(f) Except as otherwise specifically provided in this section and sections 66-141 through 66-160, so long as any of the outstanding bonds and the bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the system shall be incurred or issued by the township unless the same shall be junior and subordinate in all respects to the bonds.
(Comp. Ords. 1987, § 25.238)

Sec. 66-219. Contract between township and bondholders.

The provisions of this subdivision shall constitute a contract between the township and the bondholders. After the issuance of the bonds, this subdivision shall not be repealed or amended in any respect which will adversely affect the rights and interests of the bondholders, nor shall the township adopt any law, ordinance or resolution in any way adversely affecting the rights of the holders of the bonds so long as the bonds or interest thereon remains unpaid.
(Comp. Ords. 1987, § 25.239)

Sec. 66-220. Refunds.

If at any time it shall appear to the FmHA, while the government is a holder of any of the bonds, that the township is able, upon call for redemption or with the consent of the FmHA, to refund the bonds by obtaining a loan for such purposes from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, upon request of the government, the township will apply for and accept such loan in

sufficient amount to repay the government, and will take all such actions as may be required in connection therewith.

(Comp. Ords. 1987, § 25.240)

Sec. 66-221. Default of township.

(a) If there shall be default in the junior lien redemption fund provisions of this subdivision or in the payment of principal or interest of any of the bonds, upon the filing of a suit by any holder of the bonds, any court having jurisdiction of the action may appoint a receiver to administer the system on behalf of the township with power to charge and collect rates and charges sufficient to provide for the payment of the bonds payable from revenues and for the payment of administration, operation and maintenance expenses and the payment of the outstanding bonds and to apply income and revenues in accordance with sections 66-141 through 66-160, this subdivision, and the laws of the state.

(b) The township hereby agrees to transfer to any bona fide receiver or other subsequent operator of the system, pursuant to any valid court order, in a proceeding brought to enforce collection or payment of township obligations, all contracts and other rights of the township conditionally, for such time only as such receiver or operation shall operate by authority of the court.

(c) The holders of 20 percent of the bonds may enforce the statutory lien and the covenants of the township in the event of default, and may require by mandatory injunction the raising of rates and charges to the extent permitted by section 66-215.

(Comp. Ords. 1987, § 25.241)

Sec. 66-222. Subjection to state law and FmHA regulations.

The provisions of this subdivision are subject to the laws of the state and to the present and future regulations of the FmHA, while the government is a holder of any of the bonds, as are not inconsistent with the express provisions of this subdivision and state law.

(Comp. Ords. 1987, § 25.242)

Sec. 66-223. Subjection to loan agreement.

So long as the government is holder of any of the bonds, the township shall be subject to the loan agreement (Form FmHA 422-47) with the FmHA and shall comply with all provisions thereof.

(Comp. Ords. 1987, § 25.243)

Sec. 66-224. Municipal finance commission approval for sale of bonds.

The township clerk is authorized and directed to make application to the municipal finance commission for authority to issue and sell the junior lien bond, if the same is required by law, or to give to the municipal finance commission or the department of treasury notice of intent to issue and sell the junior lien bond, if permitted by the act, and to pay the required fee, and, after receipt of such approval, if required, or receipt of an order of exception or

expiration of the notice period without receipt of an order of disapproval, privately negotiate the sale of the junior lien bond to the FmHA at the interest rate approved in section 66-205.
(Comp. Ords. 1987, § 25.244)

Secs. 66-225-66-240. Reserved.

ARTICLE III. SEWER SYSTEM

DIVISION 1. GENERALLY

Secs. 66-241-66-265. Reserved.

DIVISION 2. SEWER CONNECTION

Sec. 66-266. Definitions.

Whenever used in this division, except when otherwise indicated by the context, the following terms shall be construed to have the meanings ascribed in this section:

Charges for sewage disposal services and *charges* mean the amount charged to each premises in the township connected to the system for sewage disposal, including a debt service factor.

Connection fee means the amount charged to each premises for the installation of the sewer connection from the public sewer in the street or easement to the property line.

- (1) *Closed connection* means a connection from a sewer main to a property to be served by the sanitary sewer where there are existing roads or other obstacles. For the purpose of this division, property on both sides of an existing road shall be treated the same regardless of which side of the road sewer mains are located.
- (2) *Open cut connection* means a connection from a sewer main to the property line of premises to be serviced where there are no existing roads or other obstacles.
- (3) *Unusual connection* means a connection from the sewer main to the property to be served by the sanitary sewer where the connection is so long or so deep that the cost of installation would exceed the connection fee as set by the township board.

Hookup fee means the amounts as determined by section 66-269.

Inspector means any person duly authorized by the township board to inspect and approve the installation of building sewers and their connection to the public sewer system.

Premises means the lands included within the boundaries of a single description, as set forth from time to time on the general tax rolls of the township as a single taxable item in the name of a taxpayer at one address, but, in the case of platted lots, shall be limited to a single platted lot unless an existing building or structure is so located on more than one lot as to make the same a single description for purposes of assessment or conveyance.

Sewage disposal district and *district* mean the township sewage disposal district, as described in the resolution of the county board of commissioners, adopted August 12, 1969, and September 1, 1981, and for any amendments thereto.

Sewage disposal services means and shall be deemed to refer to the collection, transportation, treatment and disposal of sanitary sewage emanating from premises connected, directly or indirectly, to the sewage disposal system.

Sewage disposal system means the township sewage disposal system established and to be constructed by the county under contract with the township dated August 12, 1969, and September 1, 1981, and leased to the township and all extensions, enlargements and improvements thereto.

Superintendent means the superintendent of the municipal sewage works of the township, or his authorized deputy, agent or representative.

System means and shall be deemed to refer to the sewage disposal system as established and constructed by the county and leased to the township to serve the residents of the township.

Unit and *units* mean and shall be related to the quantity of sanitary sewage ordinarily arising from the occupancy of a residence building by a single family of ordinary size on a lot 100 feet or less in width, as shall from time to time be defined by the township and assigned to premises in the district. (Comp. Ords. 1987, § 25.051)

Cross reference-Definitions generally, § 1-2.

Sec. 66-267. License required; building sewer permits.

(a) No person, other than a homeowner occupant, shall uncover, make any connections with, or open into, use, alter or disturb any public sewer or appurtenances thereof without first having obtained a license from the township board. Applications for licenses shall be submitted to the township board and shall be accompanied by a fee of \$25.00 on forms prescribed by the township board. The township board may refuse to grant or may revoke any license issued under this division if it appears to the township board that the person requesting or having been granted such license has violated the terms and conditions of this division. The license shall be for a period of one year only, except that it may be renewed annually by the payment of an annual license renewal fee of \$20.00. In no case shall a license be issued unless the person applying for such shall have executed unto the township, and deposited with the township treasurer, a corporate surety bond in the sum of \$5,000.00 conditioned upon the requirement that such person shall perform faithfully all work with due care and skill and in accordance with the laws, rules and regulations established under the authority of any ordinances of the township pertaining to plumbing. The bond shall state that the person will indemnify and save harmless the township and the owner of the premises against all damages, costs, expenses, outlays

and claims of every nature and kind arising out of unskillfulness or negligence on his part in connection with plumbing or excavating for plumbing, as prescribed in this division. Such bond shall remain in force and must be executed for a period of two years, except that, upon expiration, it shall remain in force as to all penalties, claims and demands that may have accrued thereunder prior to such expiration.

(b) There shall be two classes of building sewer permits:

- (1) For residential and commercial service; and
- (2) For service to establishments producing industrial waste.

In either case, the owner or his agent shall make application on a special form furnished by the township. The permit applications shall be supplemented by any plans, specifications or other information considered pertinent in the judgment of the inspector. A permit and inspection fee of \$10.00 for a residential or commercial building sewer permit and \$20.00 for an industrial building sewer permit shall be paid to the township treasurer at the time the application is filed.

(c) All costs and expenses incidental to the installation and connection of the building sewer shall be borne by the owner. The owner, or the person installing the building sewer for the owner, shall indemnify the township from any loss or damage that may directly or indirectly be occasioned by such installation.

(d) All excavations for building sewer installation shall be adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways and other public property disturbed in the course of the work shall be restored in a manner satisfactory to the township.
(Comp. Ords. 1987, § 25.052)

Sec. 66-268. Conditions of service.

(a) The property owner shall install at their expense, that portion of the service from the sanitary sewer to their premises. The property owner shall maintain, at their expense, that portion of the service from the lot line or easement line to their premises. The size and slope of the building sewers shall be subject to the approval of the authorized personnel of the township. The building sewer shall be brought to within five feet of the basement wall at an elevation below the basement floor. All other elevations shall be approved by the inspector.

(b) Applications may be cancelled and/or sewer service discontinued by the township for any violation of any rule, regulation or condition of service, and especially for any of the following reasons:

(1) Misrepresentation in the application as to the property of fixtures to be serviced by the sanitary sewer system.

(2) Nonpayment of bills.

(3) Improper or imperfect service pipes and fixtures or failure to keep such service pipes and fixtures in a suitable state of repair.

(c) Bills and notices relative to the conduct of the business of the township will be mailed to the customer at the address listed on the application, unless a change of address has been filed in writing at the business office of the township board; and the township shall not otherwise be responsible for delivery of any bill or notice, nor will the customer be excused from nonpayment of a bill or from any performance required in such notice.

(1) Bills for sewer service are due and payable at the township business office or to any designated agent of the township. The first such charges for each premises are due and payable on the tenth day of the calendar quarter following by at least one month from the date such premises are connected to the system and successive charges are due and payable on the first day of each quarter annual period thereafter. Sewer bills shall be rendered quarterly during each operating year and shall represent charges for the quarterly period immediately preceding the date of rendering the bill. Such bills shall become due and payable on the tenth day of the month from the date thereof, and for all bills not paid in full when due, a penalty of ten percent of the amount of such bill shall be added thereto.

(2) All bills not paid on or before the past due date shall be termed delinquent, and the township shall serve on the customer a written final notice of such delinquency. If a delinquent bill is not paid within 30 days after the due date, the water and/or sewer service to the user will be subject to discontinuance, or other measures as state law will allow.

(d) Where the water or sewer service supplied to a customer has been discontinued for nonpayment of delinquent bill, the township reserves the right to request a nominal sum to be placed on deposit' with the township for the purpose of establishing or maintaining any customer's credit. The reconnection will not be made until after all delinquent bills and other charges, if any, owed by the customer to the township have been paid, plus a shutoff fee of \$30.00 and turn-on fee of \$30.00.

(e) The township shall make all reasonable efforts to eliminate interruption of service, and, when such interruption occurs, will endeavor to reestablish service with the shortest possible delay. Whenever service is interrupted for the purpose of working on the collection system or the treatment equipment, all consumers affected by such interruption will be notified in advance whenever it is possible to do so.

(f) The township shall in no event be held responsible for claims made against the township by reason of the breaking of any mains or service pipes, or by reason of any other interruption of the service caused by the breaking of machinery or stoppage for necessary repairs; and no person shall be entitled to damages nor have any portion of a payment refunded for any interruption.

(g) The premises receiving sanitary sewer service shall, at all reasonable hours, be subject to inspection by duly authorized personnel of the township.
(Comp. Ords. 1987, § 25.053)

Sec. 66-269. Hookup and connection fees.

(a) Each residence in the township abutting a street or easement in which a sanitary sewer is installed shall be connected to such sewer and, at the time of connection, shall pay a hookup fee to the township,

(b) Each business, commercial or property other than a single-family residence, from which sanitary sewage is generated and which abuts a street or easement in which a sanitary sewer, is installed, shall connect to such sewer. At the time of original connection, or expansions, or change of existing use, a hookup fee shall be paid to the township in an amount determined fee set forth by the township.

(c) The connection to the sewer shall be completed within 12 months after the date of the occurrence of the last of the following events:

- (1) Availability of the public sanitary sewage collection facility.
- (2) Improvement of the property so as to become property from which sanitary sewage emanates.
- (3) This division becomes effective.

(d) All premises connecting to a sanitary sewer shall pay a connection fee, as defined in subsection (a), to the township in amounts to be determined from time to time by resolution of the township board for a sanitary sewer.

(e) The connection fees set forth for each lot or parcel must be paid prior to issuance of any building or sewer permits. If the fees are in excess of \$5,000.00, the developer may petition the township board to create a special assessment district in accordance with Public Act No. 188 of 1954 (MCL 41.721 et seq.) to provide for payment in five equal annual installments, plus interest, at a rate to be determined by the township board. Any installment

payments which have not been paid by the due date shall be placed on the next tax roll against the premises and shall be considered a lien thereon. Failure to pay an assessment is a violation of this division.

(f) In the event of failure to connect to the public sanitary sewage collection facility, and if such failure to connect shall continue for an additional 90 days after notice has been sent by the township by first class mail or posted on the property stating that the structure shall be connected and giving the approximate location of the public sanitary sewer system which is available for connection of the structure involved and of the requirements and the enforcement provisions of this division, the township may bring an action for a mandatory injunction or order in the county district or circuit court to compel the owner to connect to the available sanitary sewer system forthwith. Violation of this division is deemed to be a nuisance per se.

(g) Any person, firm or corporation convicted of disposing of sewage in a manner contrary to the provisions of this division shall be guilty of a misdemeanor.
(Comp. Ords. 1987, § 25.054(1)-(7))

Sec. 66-270. Schedule A, Sanitary Hookup Fees.

- (a) Residential \$1810
- (b) Commercial \$2720

(d) This schedule A may be amended by resolution annually by the township board based on the current construction cost index.

(Comp. Ords. 1987, § 25.054(9); Ord. No. 97-01, 1-28-1997)

Sec. 66-271. Validity.

All provisions of this division and limits set in this division shall comply with any applicable state and/or federal requirements, now or projected to be in effect.

(Comp. Ords. 1987, § 25.056)

Sees. 66-272-66-290. Reserved.

DIVISION 3. SEWER USE

Sec. 66-291. Definitions.

The following terms, when used in this division, shall have the meanings ascribed in this section, except where context clearly indicates a different meaning:

Authority means the Township of Tittabawassee, Saginaw County, Michigan.

Biochemical oxygen demand (BOD) means the quantity of oxygen, expressed in milligrams per liter, utilized in the biochemical oxidation of organic matter under standard laboratory procedures in five days at 20 degrees Celsius.

Building drain means that part of the lowest horizontal piping of a drainage system which receives the discharge from soil, waste and other drainage pipes inside the walls of a building and conveys it to the building sewer beginning three feet outside the building wall.

Building drain, sanitary, means a building drain which conveys sanitary and/or industrial sewage only.

Building drain, storm, means a building drain which conveys stormwater or other clear water drainage only.

Building sewer means the extension from the building drain to the public sewer or other place of disposal (also called house connection).

Building sewer, sanitary, means a building sewer which conveys sanitary and/or industrial sewage only.

Building sewer, storm, means a building sewer which conveys stormwater or other clear water drainage only.

Combined sewage means a combination of both sanitary and industrial wastewater and stormwater or surface water.

Combined sewer means a sewer intended to receive both wastewater and stormwater or surface water.

Compatible pollutant means biochemical oxygen demand and suspended solids, pH and fecal coliform bacteria, plus additional pollutants identified in the NPDES permit if the treatment works was designed to treat such pollutants, and in fact does remove such pollutants to a substantial degree. The term "substantial degree" is not subject to precise definition, but generally contemplates removal in the order of 80 percent or greater. Minor incidental removals in the order of ten to 30 percent are not considered substantial. Examples of the additional pollutants which may be considered compatible include chemical oxygen demand; total organic carbon; phosphorus and phosphorus compounds; nitrogen and nitrogen compounds; and fats, oils and greases of animal or vegetable origin, except as prohibited where these materials would interfere with the operation of the treatment works.

Control manhole means a structure built on a sewer service through which sewage passes and can be sampled and will permit flow measurements taken.

Fecal coliform means any of a number of organisms common to the intestinal tract of man and animals, whose presence in sanitary sewage is an indicator of pollution.

Floatable oil means oil, fat or grease in a physical state, such that will separate by gravity from wastewater by treatment in a pretreatment facility approved by the township.

Garbage means solid wastes from the domestic and commercial preparation, cooking and dispensing of food and from the commercial handling, storage and sale of produce.

Incompatible pollutant means any pollutant that is not defined as a compatible pollutant, including nonbiodegradable dissolved solids.

Industrial waste means any solids, liquid or gaseous substance discharged, permitted to flow, or escaping from any industrial, manufacturing, commercial or business establishment or process or from the development, recovery or processing of any natural resources. It does not include, and is distinct from, sanitary sewage generated by employees.

Infiltration means the water entering a sewer system, including building drains and sewers, from the ground through such means as, but not limited to, defective pipes, pipe joints, connections or manhole walls. Infiltration does not include, and is distinguished from, inflow.

Infiltration / inflow means the total quantity of water from both infiltration and inflow without distinguishing the source.

Inflow means the water discharged into a sewer system, including building drains and sewers, from such sources as, but not limited to, roof leaders, cellars, yards and area drains, foundation drains, unpolluted cooling water discharges, drains from springs and swampy areas, manhole covers, cross connections from storm sewers and combined sewers, catch basins, stormwaters, surface runoff, street wash waters or drainage. Inflow does not include, and is distinguished from, infiltration.

Major contributing industry means an industry that has:

- (1) A flow of 50,000 gallons or more per average work day;
- (2) A flow greater than five percent of the flow carried by the municipal system receiving the wastes;
- (3) In its waste, a toxic pollutant in toxic amounts as defined in standards issued under section 307(a) of PL 92-500; or
- (4) A significant impact, either singly or in combination with other contributing industries, on a treatment works or on the quality of effluent from that treatment works.

Natural outlet means any outlet, including storm sewers and combined sewer overflows, into a watercourse, pond, ditch, lake or other body of surface water or groundwater.

Normal domestic sewage means sewage resulting from a normal household with a flow of 146 gallons per day and containing 0.34 pound per day of BOD and 0.31 pound per day of suspended solids.

NPDES permit means a permit issued under the National Pollutant Discharge Elimination System for discharge of wastewaters to the navigable waters of the United States pursuant to section 402 of PL 92-500.

Person means any individual, firm, company, municipality, association, society, corporation or group discharging any wastewater to the treatment works.

pH means the reciprocal of the logarithm of the hydrogen ion concentration. The concentration is the weight of hydrogen ions, in grams per liter of solution.

Pretreatment means the treatment of industrial sewage from privately owned industrial sources prior to introduction into a public treatment works.

Private sewer means a sewer which is not owned by the township.

Properly shredded garbage means the wastes from the preparation, cooking and dispensing of food that have been shredded to such a degree that all particles will be carried freely under flow conditions normally prevailing in public sewers, with no particle greater than one-half inch in any dimension.

Public sewer means a sewer which is owned and controlled by the township and will consist of the following components:

- (1) *Collector sewer* means a sewer whose primary purpose is to collect wastewater from individual point source discharges.
- (2) *Forcemain* means a pipe in which wastewater is carried under pressure.
- (3) *Interceptor sewer* means a sewer whose primary purpose is to convey wastewaters from collector sewers to the sewage treatment plant.
- (4) *Pumping station* means a station positioned in the public sewer system at which wastewater is pumped to a higher level.

Sanitary sewer means a sewer which carries sanitary and industrial wastes only, and to which stormwater, surface water and groundwater are not intentionally or legally admitted.

Sewage means the combination of liquid and solid wastes from residences, commercial buildings, industrial plants, institutions and governmental edifices, including polluted cooling water. The three most common types of sewage are:

- (1) *Combined sewage* means a combination of wastes, including sanitary sewage, industrial sewage and intentionally admitted stormwater, infiltration and inflow.
- (2) *Industrial sewage* means a combination of liquid and solid waste discharged from any industrial establishment, resulting from any trade or process carried on in that establishment. This shall include the wastes from pretreatment facilities and polluted cooling water, but is separate and distinct from sanitary sewage from employees.
- (3) *Sanitary sewage* means the combination of liquids and solid waste discharged from toilet and other sanitary plumbing facilities resulting from human habitation.

Slug means any discharge of sewage or wastewater which, in concentration of any given constituent or in quantity of flow, exceeds, for any period of duration longer than 30 minutes, more than three times the average 24-hour concentration of flows during normal operation and shall adversely affect the treatment works.

Storm sewer means a sewer for conveying stormwater, groundwater, or unpolluted water from any other source and to which sewage is not intentionally admitted.

Suspended solids means solids that either float on the surface of, or are in suspension in, water, sewage or other liquids and which are removable by laboratory filtering.

Total solids means the sum of suspended and dissolved solids.

Toxic amounts means concentrations of any pollutant or combination of pollutants which, upon exposure to or assimilation into any organism, will cause adverse effects, such as cancer, genetic mutations and physiological manifestations, as defined in standards issued pursuant to section 307(a) of PL 92-500.

Treatment works means all devices and systems used in the storage, treatment, recycling and reclamation of wastewater, including intercepting sewers, outfall sewers and wastewater collection systems.

Unpolluted water means water of quality equal to or better than the effluent criteria in effect, or water that would not cause violation of receiving water quality standards and would not be benefitted by discharge to the treatment works.

User:

Commercial user means a user of the treatment works engaged in the purchase or sale of goods or services or the transaction of business.

Governmental user means a federal, state or local governmental user of the treatment works which has an executive, legislative, judicial, administrative or regulatory activity.

Industrial user means a manufacturing or process facility engaged in a productive or profit-making venture that discharges a trade or process waste to the sewer system.

Institutional user means a user of the treatment works involved in a social, charitable, religious, educational or other special purpose activity.

Residential user means a user of the treatment works whose premises or building is used primarily as a domicile for one or more persons and whose wastes originate from normal living activities of its inhabitants.

Wastewater means water polluted with sanitary sewage, industrial sewage, combined sewage or any other substance which, when contained in wastewater, must be removed or diluted to a substantial degree before such wastewater can be reclaimed for discharge to a watercourse or reused.

Watercourse means a natural or artificial channel for the passage of water, either continuously or intermittently.

(Comp. Drds. 1987, § 25.001)

Cross reference-Definitions generally, § 1-2.

Sec. 66-292. Public sewers.

(a) No person shall discharge or cause to be discharged to any sanitary sewer, either directly or indirectly, stormwater, surface water, groundwater, roof runoff, subsurface drainage, cooling water, unpolluted water, or unpolluted industrial process water. The township shall require the removal of unpolluted waters from any wastewater collection or treatment facility if such removal is cost-effective and is in the best interest of all users of those facilities.

(b) Stormwater, surface water, groundwater, roof runoff, subsurface drainage, cooling water, unpolluted water or unpolluted industrial process water may be admitted to storm sewers which have adequate capacity for their accommodation. No person shall use such sewers, however, without the specific permission of the township.

(c) No person shall place, deposit or permit to be deposited, in any unsanitary manner on public or private property within the jurisdiction of the authority, any wastewater or other polluted waters, except where suitable treatment has been provided in accordance with provisions of this division and the NPDES permit.

(d) No person shall discharge or cause to be discharged to any natural outlet any wastewater or other polluted waters, except where suitable treatment has been provided in accordance with provisions of this division and NPDES Permit No. MI0027388.

(e) Private sewage disposal system.

(1) No person shall construct or maintain any privy, privy vault, septic tank, cesspool, or other facility intended or used for the disposal of wastewater, except as provided in this division or except as provided under Public Act No. 421 of 1980 (MCL 333.12757).

(2) In the event any existing private sewage system shall, in the opinion of the township board, become a hazard to health, safety or general welfare of any persons or property, then the owner

thereof shall be required, at his expense, to install suitable sewage facilities therein, and to connect such facilities directly with the proper public sewer, in accordance with the provisions of this division, within 90 days after date of official notice to do so.

- (3) Where a public sanitary sewer is not available, the building sewer shall be connected to a private disposal system in accordance with the specifications of the county health department and the township.
- (4) The owner shall operate and maintain the private sewage disposal facilities in a sanitary manner at all times, at no expense to the township.
- (5) In the event that the owner of the property, upon which the same is located, shall fail to abandon and correct, upon reasonable notice, a private sewage disposal system, then and in such case, the township may do so, and charge the cost thereof to the property owner and to the occupant of such property, and such charges shall become a debt, collectible as such.

(f) Within 12 months from the time a collector sewer becomes available, within 50 feet of the property line, to any person, such person shall make connection. Such connection, however, shall be subject to the review and approval of the township and shall be contingent upon the availability of capacity and all downstream sewers, pump stations, forcemains, and the sewage treatment plant, including compatible pollutant capacity. Property located within the South Sewer District Extension #3 2014 (SSD #3) shall be exempt from the 12-month connection requirement.

(g) No person shall discharge or cause to be discharged, to any public sewer, any wastes which would interfere with the operation or performance of the treatment works. Specifically, the following wastes shall not be introduced into the treatment works:

- (1) Wastes which create a fire or explosion hazard in the treatment works.
- (2) Wastes which will cause corrosive structural damage to treatment works, but in no case with a pH lower than 6.0.
- (3) Any waters or wastes containing toxic or poisonous solids, liquids or gases in sufficient quantity, either singly or by interaction with other wastes, to injure or interfere with any wastewater treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in the receiving waters of the wastewater treatment plant, including, but not limited to, the following concentrations of materials in the wastes, as received at the influent of the wastewater treatment plant, or any pollutant identified pursuant to section 307 of the act:

<i>Material</i>	<i>Concentration</i>
	<i>(mgll)</i>
Copper	1.0
Arsenic	0.1
Zinc	0.5

<i>Material</i>	<i>Concentration (mgll)</i>
Cadmium	50
Lead	0.2
Mercury	2.0
total chromium	5.0
Silver	5.0
Nickel	2.0
Cyanide (HeN)	2.0
Phenolic compounds which cannot be removed by the township's wastewater treatment processes	50
Chloroform	1.0
Free oil	5.0

- (4) Any noxious or malodorous liquids, gases, or solids which, either singly or by interaction with other wastes, are capable of creating a public nuisance or hazard to life or are sufficient to prevent entry into the sewers for their maintenance and repair.
- (5) Any substance which may cause the wastewater disposal system's effluent or any other product of the wastewater treatment process, such as residues, sludges, or scums, to be unsuitable for reclamation and reuse or to interfere with the reclamation process. In no case shall a substance discharged to the wastewater disposal system cause the system to be in noncompliance with sludge use or disposal criteria, guidelines or regulations developed under section 405 of the act; any criteria, guidelines, or regulations affecting sludge use or disposal developed pursuant to the solid wastes disposal act, the clean air act, the toxic substances control act, or state standards applicable to the sludge management method being used.
- (6) Any substance which will cause the wastewater disposal system to violate its NPDES permit or the receiving water quality standards.
- (7) Any wastewater which creates conditions at or near the wastewater disposal system which violate any statute or any rule, regulation or ordinance of any public agency or state or federal regulatory body.
- (8) Any liquid or vapor having a temperature higher than 150 degrees Fahrenheit (65 degrees Celsius), or causing, individually or in combination with other wastewater, the influent at the wastewater treatment plant to have a temperature exceeding 104 degrees Fahrenheit (40 degrees Celsius).
- (9) Any water or waste containing fats, wax, grease, or oils, whether emulsified or not, in excess of 25 milligrams per liter or containing substances which may solidify or become viscous at temperatures between 32 degrees and 150 degrees Fahrenheit (zero and 65 degrees Celsius).
- (10) Any waters or wastes containing strong acid iron pickling wastes or concentrated plating solutions, whether neutralized or not.

- (11) Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits in compliance with applicable state or federal regulations.
- (12) Any waters or wastes having a pH in excess of 9.5.
- (13) Materials which exert or cause:
 - a. Unusual concentrations of inert suspended solids, such as, but not limited to, fuller's earth, lime slurries, and lime residues; or of dissolved solids, such as, but not limited to, sodium chloride and sodium sulfate.
 - b. Excessive discoloration, such as dye wastes and vegetative tanning solutions.
 - c. Unusual BOD, chemical oxygen demand, or chlorine requirements in such quantities as to constitute a significant load on the wastewater treatment works.
- (14) Solid or viscous wastes in amounts which would cause obstruction to the flow in sewers, or other interference with the proper operation of the treatment works.
- (15) Wastes at a flow rate and/or pollutant discharge rate (slugs) which are excessive over relatively short time periods so that there is a treatment process upset and subsequent loss of treatment efficiency.
 - (h) Treatment authority management, whenever necessary, with regard to discharge or proposed discharge of industrial wastes into any sewer, shall have the right to:
 - (1) Require new industries or industries with significant increase in discharge to submit information on wastewater characteristics and obtain prior approval for discharges.
 - (2) Reject the wastes in whole or in part for any reason deemed appropriate by the township.
 - (3) Require pretreatment of such wastes to within the limits of normal sewage, as defined.
 - (4) Require control of flow equalization of such wastes so as to avoid any slug loads or excessive loads that may be harmful to the treatment works.
 - (5) 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.
 - (i) Pretreatment of industrial wastes from major contributing industries prior to discharge to the treatment works, as required, is subject to the rules and regulations adopted by the United States Environmental Protection Agency (USEPA) and published in the Federal Register, June 26, 1978, and any more stringent requirements established by the township, and any subsequent federal guidelines and rules and regulations. As specific pretreatment levels are established, they are hereby incorporated into this section by reference.
 - (j) Plans, specifications and any other pertinent information relating to pretreatment or control facilities shall be submitted for approval of the township, and no construction of such facilities shall be commenced until approval in writing is granted. Where such facilities are provided, they shall be maintained continuously in satisfactory and effective operating order by the owner, at his expense, and shall be subject to periodic inspection by the township to

determine that such facilities are being operated in conformance with applicable federal, state and local laws and permits. The owner shall maintain operating records and shall submit to the township a monthly summary report of the character of the influent and effluent to show the performance of the treatment facilities and for comparison against the township monitoring records.

(k) The township may require users of the treatment works, other than residential users, to supply pertinent information on wastewater flow characteristics. Such measurements, tests and analyses shall be made at the users' expense. If made by the township, an appropriate charge may be assessed to the user, as established by the township.

(l) The owner of any property serviced by a building sewer carrying industrial wastes or other nonresidential wastewater may be required by the township to install a control manhole, together with such necessary meters and other appurtenances in the building to facilitate observation, sampling and measurement of the wastes. Such structures, when required, shall be accessible and safely located and shall be constructed in accordance with plans approved by the township. The structures shall be installed by the owner, at his expense, and shall be maintained by him so as to be safe and accessible at all times.

(m) The strength of wastewaters shall be determined, for periodic establishment of charges provided for in this division, from samples taken at the aforementioned structure at any period of time and of such duration and in such manner as the township may elect, or at any place mutually agreed upon between the user and the township. Appropriate charges for sampling and analysis may be assessed to the user at the option of the township. The results of routine sampling and analysis by the user may also be used for determination.

(n) All measurements, tests, and analyses of the characteristics of waters and wastes to which reference is made in this division shall be determined in accordance with the latest edition of Standard Methods, except for applications for NPDES permits and reports thereof, which shall be conducted in accordance with rules and regulations adopted by the USEPA, published in the Federal Register (40CFR 136), and any subsequent revisions subject to approval by the township.

(o) Grease, oil and sand interceptors or traps shall be provided when, in the opinion of the Township, they are necessary for the proper handling of liquid wastes containing grease in excessive amounts, or any flammable wastes, sand and other harmful ingredients, except that such interceptors or traps will not be required for private living quarters or dwelling units. All interceptors or traps shall be of a type and capacity conforming to the current addition of the Universal Plumbing Code, and shall be located so as to be readily and easily accessible for cleaning and inspection. They shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperatures and shall be of substantial construction to be gastight, airtight when bolted in place and equipped with easily removable covers. Where installed, all grease, oil and sand interceptors or traps shall be maintained by the owner, at his expense, in continuously efficient operation at all times.

(p) Outside grease traps, with a minimum of 1000 gallon capacity shall be required for all new commercial kitchens. Grease interceptors/traps shall be required for all food service establishments and may be required for other users as determined necessary by the Township. Grease interceptors/traps shall be sized, constructed, and installed as required by the Township's specifications and subject to the Township's approval. Grease interceptors/traps shall be cleaned and maintained per the manufacturer's specifications at the property owner's expense. As a minimum, any user required to install an interceptor shall comply with the best management practices as provided below.

(q) Any user required to install and maintain an interceptor (trap) of any kind shall develop and carry out a system of training, maintenance and cleaning of such device(s). This training, maintenance and cleaning shall be documented on the appropriate Township provided form.

- (1) Any problems with or damage to an interceptor/trap shall be reported immediately to the owner and the POTW Superintendent.
- (2) Any damage to an interceptor/trap shall be immediately repaired.
- (3) No interceptor/trap clean out material shall be discharged into a sewer.
- (4) No bacteria or enzyme products shall be used in the maintenance of interceptor/traps.
- (5) All users shall implement BMPs for grease management to minimize the discharge of food grease to the POTW.
- (6) Specific BMPs for grease interceptors/traps. All users required to install and maintain grease interceptors (traps) shall comply with the following minimum requirements:
 - a. Under sink grease traps shall be cleaned and or inspected weekly.
 - b. Clean outs of all other interceptor/traps shall be scheduled such that the interceptor/trap does not exceed 25% solids content (including both the top and bottom layers of solids) and there is no visible discharge of grease or oil.
 - c. The clean out shall be accomplished by pumping to remove the entire grease mat, liquids, sludge, and solids from screens, baffles, air-relief chambers, and wash down of interior walls.
 - d. The user shall witness all clean out and maintenance of interceptor/traps.

(r) The documentation required by this Section shall be available for review by the POTW and copies shall be provided to the POTW upon request. The POTW shall have the right to inspect a restaurant (or other establishment where an interceptor is required) at any time for any reason. The POTW shall have the right to collect samples of the facilities waste stream at any time for any reason. The failure of a restaurant to comply with this Section may subject the violator to enforcement action and the remedies as may be available by law and the terms of this Ordinance.

(s) Users of the treatment works shall immediately notify the township of any unusual flows or wastes that are discharged accidentally or otherwise to the sewer system.

(t) No statement contained in this section shall be construed as preventing and special agreement or arrangement between the township and any industrial or commercial concern whereby an industrial or commercial waste of unusual strength or character may be accepted by the township for treatment. In all such cases, the provisions set forth in the sewage rate ordinance will be governing factors in any contracts entered into.

(Comp. Ords. 1987, § 25.002)

Sec. 66-293. Building sewers and connections.

(a) No unauthorized person shall uncover, make any connections with or opening into, use, alter or disturb any public sewer or appurtenance thereof without first obtaining a written permit from the township.

(b) After the permit for a service connection has been granted and before the connection is made, the owner shall pay a permit fee for tapping the public sewer and for that portion of the building sewer situated between the property line and the public sewer, as established by the township.

(c) A separate and independent building sewer shall be provided for every building; except, where one building stands at the rear of another on an interior lot and no private sewer is available or can be constructed to the rear building through an adjoining alley, court, yard or driveway, the building sewer from the front building may be extended to the rear building.

(d) Old building sewers may be used in connection with new buildings only when they are found, on examination and test by the township, to meet all requirements of this division.

(e) The building sewer shall be polyvinyl chloride (PVC) or acrylantrile-butadien-styrene (ABS) pipe with solvent weld joints. Wall thickness shall be schedule 40, with all materials conforming to ASTM D-2661, D-2665 and D-1785. An approved transition device shall be installed between the six-inch sewer service and the PVC or ABS building sewer.

(f) The size and slope of the building sewer shall be subject to the approval of the township, but in no event shall the diameter be less than four inches. The slope of such building sewer shall be not less than one-eighth inch per foot if six-inch or larger diameter pipe is used, and one-fourth-inch slope per foot if four-inch diameter pipe is used.

(g) If an existing septic tank, holding tank or other underground vessel is abandoned as part of the service connection, the property owner shall have such tank or vessel pumped empty and filled completely with sand.

(h) Whenever possible, the building sewer shall be brought to the building at an elevation below the basement floor. No building sewer shall be laid parallel to or within three feet of any bearing wall, which might thereby be weakened. The depth shall be sufficient to afford

protection from frost. The building sewer shall be laid at uniform grade and in straight alignment insofar as possible. Changes in direction shall be made only with properly curved pipe and fittings.

(i) In all buildings in which any building drain is too low to permit gravity flow to the public sewer, sanitary sewage carried by such drains shall be lifted by approved artificial means and discharged to the building sewer, the cost to be borne by the property owner.

(j) All joints or connections shall be gastight and watertight, utilizing premium rubber joints conforming to the requirements of ASTM Des. C-425.

(k) All excavations required for the installation of a building sewer shall be open trench work unless otherwise approved by the township. Pipe laying and backfill shall be performed in accordance with good practice, except that no backfill shall be placed until the work has been inspected.

(1) The connection of the building sewer into the public sewer shall be made only at a wye branch provided for that purpose.

(Comp. Ords. 1987, § 25.003)

Sec. 66-294. Unlawful damage; arrest for violation.

No unauthorized person shall maliciously, willfully or negligently break, damage, destroy, uncover, deface or tamper with any structure, appurtenance or equipment which is a part of the municipal sewage works. Any person violating this section shall be subject to immediate arrest under the charge of disorderly conduct.

(Comp. Ord.s. 1987, § 25.004)

Sec. 66-295. Power and authority of inspectors.

Agents of the township, the state department of natural resources, and the U.S. Environmental Protection Agency shall be permitted to enter all properties for purpose of inspection, observation, measurement, sampling and testing in accordance with the provisions of this division.

(Comp. Ords. 1987, § 25.005)

Sec. 66-296. Lien established for nonpayment; penalties; liability of user for down stream damages.

(a) In the event of nonpayment of any charges made by the township to users of the treatment works, such charge is hereby made a lien upon the corresponding lot, parcel of land or premises served by the treatment works, and, if the same is not paid when due and payable, it shall be certified to the township, who shall place same on the tax duplicate as a tax lien or assessment against such lot or parcel of land with interest and penalties allowed by law, and be collected in the same manner and at the same time as other taxes are collected.

(b) Any person violating the provisions of this division shall be subject to the penalties of section 1-7. In addition, any user whose violating discharge causes downstream damages shall be liable totally for all expenses incurred to repair such damages.

(Comp. Ords. 1987, § 25.006)

Sec. 66-297. Compliance with other requirements.

All provisions of this division and limits set in this division shall comply with any applicable state and/or federal requirements now or projected to be in effect.

(Comp. Ords. 1987, § 25.007)

Secs. 66-298-66-320. Reserved.

DIVISION 4. USER CHARGES

Sec. 66-321. Definitions.

The following terms, when used in this division, shall have the meanings ascribed in this section, except where context clearly indicates a different meaning:

Authority means the Township of Tittabawassee, Saginaw County, Michigan.

Biochemical oxygen demand (BOD) means the quantity of decomposable organic matter by aerobic biochemical action under standard laboratory procedures for five days at 20 degrees Celsius and expressed in milligrams per liter (mg/l). The laboratory determinations shall be made in accordance with procedures set forth in the standard methods.

Debt service charges means a system of charges levied on users for the recovery of local capital costs.

Normal domestic strengths means wastewater discharged at concentration levels typical of normal human activity. These levels are 250 mg/l for BOD and 280 mg/l for suspended solids.

Operation and maintenance costs means the total annual cost of operating and maintaining the waste treatment facilities, including replacement cost..

Premises means each lot or parcel of land, building or household having a connection to the authority sewer system.

Replacement costs means expenditures for obtaining and installing equipment, accessories and appurtenances which are necessary during the service life of the treatment works to maintain capacity and performance for which such works were designed and constructed.

Segregated domestic wastes means wastes from users which are generated from activities of a domestic nature and which are measurable and/or set apart from industrial discharges.

Sewer service charge means the sum of the user charges and the debt service charges.

Standard methods means the examination and analytical procedures set forth in the most recent edition of Standard Methods for the Examination of Water and Wastewater, published jointly by the

American Public Health Association, American Water Works Association, and Water Pollution Control Federation, and as set forth in Federal Register Reprint 40 CFR 136, Guidelines Establishing Test Procedures for Analysis of Pollutants.

Surcharge means a charge levied on users of a treatment works for the cost of handling wastewaters which are discharged in concentrations greater than normal domestic strengths.

Suspended solids means solids which either float on the surface of, or are in suspension in, water, sewage or other liquid discharged to the treatment works, which are removable by laboratory filtration and expressed in milligrams per liter (mgll). Quantitative determinations shall be made in accordance with procedures set forth in the standard methods.

Treatment works means an arrangement of devices and structures for collecting, conveying and treating wastewater.

User means each recipient of wastewater treatment services provided by the township, as classified in section 66-322.

User charges means a system of charges levied on users of a treatment works for the cost of operation and maintenance, including replacement, of such works.

Wastewater means the spent water of the community. It may be a combination of liquid and water-carried wastes from residences, commercial buildings, industrial plants and institutions, together with any groundwater, surface water and stormwater that may be present.
(Comp. Ords. 1987, § 25.021)

Cross reference-Definitions generally, § 1-2.

Sec. 66-322. Charges levied; user classes.

(a) Charges shall be levied for wastewater treatment services rendered to each lot, parcel of real estate or building having a connection with the township treatment facilities or otherwise being provided with service, either directly or indirectly. Charges shall be based upon a flat rate user charge.

(b) All rates and charges are subject to the rules and regulations adopted by the United States Environmental Protection Agency and the State of Michigan.

(c) For purposes of this division, users of the treatment works shall be classified as follows:

(1) *Residential*: A user of the treatment works whose premises or building is used primarily as a domicile for one or more persons and whose wastes originate from normal living activities of its inhabitants.

(2) *Commercial*: A user of the treatment works engaged in the purchase or sale of goods, transaction of business, or otherwise rendering a service.

(3) *Institutional*: A user of the treatment works involved in a social, charitable, religious, educational or other special purpose activity.

(4) *Governmental*: A federal, state or local government user of the treatment works which has executive, legislative, judicial, administrative or regulatory activities.

(5) *Industrial*: A manufacturing or process facility engaged in a productive or profit making venture that discharges a trade or process waste to the sewer system.

(Comp. Ords. 1987, § 25.022)

Sec. 66-323. Administration.

(a) During the fiscal year, the township shall collect data from the treatment facilities, accounting for flows and loadings received at the treatment plant attributable to each user class. In addition, the cost data associated with the treatment of each user class's wastes shall also be collected and retained for future reference.

(b) Prior to the close of each fiscal year, the township shall prepare an estimate of anticipated costs of operation and maintenance, including replacement, for the forthcoming fiscal year. Such estimates shall be prepared in accordance with generally accepted accounting principals. Based upon the anticipated budget and data from the previous fiscal year, the rates will be reviewed and adjusted periodically with the following criteria applied:

- (1) Revenues to offset the cost of operation and maintenance costs, including replacement, of the treatment works shall be generated by each user class in proportion to each user's contribution to the total wastewater loadings and cost to treat each user's wastes.
- (2) The rates shall generate sufficient revenues to offset the costs of all treatment works operation and maintenance costs, including replacement, and such other expenditures authorized by this division.
- (3) Replacement cost needs shall be determined by an evaluation of treatment facilities' assets utilizing asset values of the treatment facilities, service lives, salvage values, level of the replacement fund and other criteria determined appropriate.

(c) Revenues generated by user charge rates shall be deposited in a separate account and used solely for purposes of operation and maintenance costs, including replacement, of the treatment works.

(d) There shall be no free service or discounts of the established rates provided any user.

(e) The township will notify each user at least once a year of what his respective charges are for operation, maintenance and replacement (user charge) and local capital (debt service charge).

(Comp. Ords. 1987, § 25.023)

Sec. 66-324. Rates and charges.

(a) There shall be rates and charges for the use of and the availability by the township sewer system, as follows:

UTILITIES

§ 66-324

<i>User</i>	<i>Quarterly Charge</i>
Residential sewer customer (2 units or less)	\$79.00
Multifamily sewer customers (3 or more)	\$61.00
Commercial/institutional/educational	\$79.00 for the first 15,000 gallons as 3.91 per 1,000 additional gallons used thereafter
Multicommercial/institutional/educational	\$61.00 for the first 15,000 gallons and \$3.91 per 1,000 additional gallons used thereafter

(b) Where a significant portion of the customer's water does not and cannot enter the treatment works either directly or indirectly, and where the quantity of water entering the premises is estimated at more than 5,000 gallons per month, the person having charge of the property may request permission from the township to install, at his own expense, an approved sewage measuring device to determine the volume of sewage that actually enters the treatment works. The rates and charges will apply only to that portion of water or actual sewage entering the treatment works. Rates for sewage shall be the same as the water consumption rate for commercial/institutional/educational customers noted above; i.e., \$79.00 plus \$3.91 per 1,000 gallons of sewage in excess of 15,000 gallons per quarter.

(c) Each industrial or nonindustrial user who discharges wastes into the treatment works shall be subject to a surcharge in addition to regular sewer charges, based on BOD and suspended solids, if the waste load contributed to the treatment works has a loading greater than normal domestic strength wastes or is in excess of the normal load contributed by the user. The magnitudes of such extra-strength wastes shall be determined in accordance with sampling and testing procedures established in sections 66-291 through 66-297. The surcharge for discharges above normal domestic strengths shall be as follows:

BOD: \$0.30/pound for each pound above 2.09 pounds per 1,000 gallons of sewage.

Suspended solids: \$0.30/pound for each pound above 2.33 pounds per 1,000 gallons of sewage.

Any user discharging at or below normal domestic strength will be charged at the regular commercial charge.

(d) The township, at its expense, may install a sewage measuring device to determine the volume of sewage that is actually discharging from any premises which is a nontownship water user.

(e) The charges for treatment works service shall be billed to the owner of each lot, parcel of real estate, or building having a connection with the township treatment facilities. If a tenant is billed, the owner shall in no way be relieved of liability in the event payment is not made by the tenant, as required in this division. Such owner shall have the right to examine the township's collection records to ascertain whether such charges have been paid.

(Comp. Ords. 1987, § 25.024; Ord. No. 94-1-S, 9-27-1994; Ord. No. 04-07, 6-8-2004)

Sec. 66-325. Delinquent charges; penalties and actions.

(a) Charges for treatment works service levied pursuant to this division shall be due and payable on or before the due dates shown on the bills. Any service charge not paid by the due date shall be considered delinquent. Such delinquent charges, together with any applied penalty, shall be collectable as set forth in this section.

(b) Delinquent treatment works service charges may be made in lien against the property served. In such cases, delinquent service charges, together with a mandatory penalty of ten percent, shall be placed on the tax rolls and be collected in the same manner as regular taxes and assessments are collected.

(c) In addition to the remedies set forth in subsection (b), the township shall have the right to bring a civil action to recover any delinquent charges, together with a penalty of ten percent and a reasonable attorney's fee. It shall also have the right to foreclose any lien established under the provisions of this division with recovery of the charges, penalty of ten percent and a reasonable attorney's fee.
(Comp. Ords. 1987, § 25.025)

Sec. 66-326. Appeals.

Any differences that may arise between users and officials of the sewer system that cannot be resolved at that level may be appealed to the township board.
(Comp. Ords. 1987, § 25.027)