

AUGUSTA CHARTER TOWNSHIP
8021 Talladay Road, Whittaker, 48190
Washtenaw County, Michigan

RESOLUTION TO REVISE REMAINING SCHEDULE OF NOVEMBER 1, 2019 FIVE YEAR TOWNSHIP
WATER AND SEWER RATES PLAN WITH CHANGES EFFECTIVE FOR BILLING DATES BEGINNING
MAY 1, 2021

Proposed RESOLUTION NUMBER 21-12

Resolution adopted at a meeting of the Board of Trustees of Augusta Charter Township,
Washtenaw County, Michigan, held at the Township Hall, 8021 Talladay Road, Whittaker,
Michigan, on April 27, 2021.

WHEREAS, the Township provides public sewer and water services to Township residents in
accordance with the Augusta Township Water and Sewer Use Ordinance of 1984, as amended,
and in compliance with the Revenue Bond Act of 1933; and

WHEREAS, the Revenue Bond Act of 1933 and the Township Water and Sewer Use Ordinance
require the Township to annually review and revise as necessary the rates and charges for
public water and sewer use service to assure for the adequate operation of the public system,
and to insure the security of bonds issued; and

WHEREAS, the Revenue Bond Act of 1933 and the Township Water and Sewer Use Ordinance
direct that no free service shall be furnished by the system to any person, firm, or corporation,
public or private, or to a public agency or instrumentality; and

WHEREAS, the Revenue Bond Act of 1933 and the Township Water and Sewer Use Ordinance,
as amended, direct that rates and charges which shall be established and revised by Township
Board by resolution must produce revenues sufficient to provide for the payment of expenses
of administration, operation, maintenance, and improvements to the system, including an
adequate reserve for major repairs and replacements, for the purpose of preserving the public
water and sewer utility system in good repair and working order; and

WHEREAS, the Ypsilanti Community Utilities Authority (YCUA) does provide facilities for the
distribution of water to Augusta Township and for the collection and treatment and disposal of
sewage and wastes from Augusta Township; and

WHEREAS, the wastewater discharge of typical buildings in the township are not specifically metered and said use of the system is considered to have a direct relationship with the metered water use and the size of the water line; and

WHEREAS, the American Water Works Association (AWWA) is an international non-profit, scientific and educational association founded to improve water quality and supply and for purposes of equitably distributing costs among users of water systems, has established a Residential Equivalent User Table (REU) based on meter size:

Meter Size	AWWA (capacity)	Factor based on 5/8
5/8 inch or Single-Family Homes	20	1.00
3/4 inch	30	1.50
1 inch	50	2.50
1-1/2 inch	100	5.00
2 inch	160	8.00
3 inch	300	15.00
4 inch	500	25.00
6 inch	1,000	50.00
8 inch	1,600	80.00
10 inch	2,300	115.00
12 inch	4,300	215.00

WHEREAS, by Resolution 19-13 the Township Board did approve a five-year cost recovery rate model plan and did submit the same to the State of Michigan; and

WHEREAS, after undertaking a successful comprehensive updating of its meters, review of its customer accounts, review of the cost allocation between water and sewer, and improvements to the system to reduce both the water and sewer loss; and

WHEREAS, the Township Board has determined that a revised cost recovery plan is needed.

NOW, THEREFORE, BE IT HEREBY RESOLVED:

The Township Board finds, approves and determines the following:

Section 1. These minimum rates are hereby adopted effective the May 2021 billing cycle:

WATER	CURRENT RATES			
Billing Dates	Nov '20 – Apr '21	May '21 – Apr '22	May '22 – Apr '23	May '23 – Apr '24
Bi-Monthly REU Capacity Cost	\$42.67	\$40.67	\$41.69	\$42.73
Commodity Charge per Unit*	\$4.34	\$4.34	YCUA rate + loss	YCUA rate + loss
Bi-Monthly Debt Service per REU	\$6.02	\$5.87	Debt/REUs	Debt/REUs

Sewer	CURRENT RATES			
Billing Dates	Nov '20 – Apr '21	May '21 – Apr '22	May '22 – Apr '23	May '23 – Apr '24
Bi-Monthly REU Capacity Cost	\$40.29	\$50.29	\$60.29	\$68.99
Commodity Charge per Unit*	\$5.05	\$4.00	YCUA rate + loss	YCUA rate + loss
Bi-Monthly Debt Service per REU	\$12.64	\$12.22	Debt/REUs	Debt/REUs

*Note: Commodity Rate will normally adjust in November with YCUA annual rate changes.

Section 2. The following cost recovery methodology is hereby adopted:

YCUA commodity charges. YCUA commodity rate charges for water and sanitary sewer service to the Township shall be directly passed through to the township customers at the cost of purchase plus a recovery portion for the loss rate of said purchases.

Proportionate Allocation of Costs by Capacity. To ensure that all users bear an equitable burden of operating the water and sewer system based on the capacity of the user's connection to the system, the following costs are to be allocated

proportionally base on the AWWA 5/8" Meter REU table modified to allocate all residential single-family homes an REU of one:

- a. *Operating costs.* The Township's net cost of operating the system.
- b. *Wear and tear expense.* The annual use (wear and tear) of the system assets based on the original value and the useful life of the system assets. Augusta Township dedicates said wear and tear expense to be used for future capital improvements to the system.
- c. *Debt Service expense.* The cost of financing capital improvements to the system that could not be covered by reserves including principal and interest payments.
- d. *YCUA annual fixed charges.* The YCUA cost of operating the system charged to the Township and not based on variable usage factors.

Time Periods to be Considered and Smoothing of Rates and Fees. To help reduce year-to-year fluctuations in establishing rates, the Township Board may consider usage, operating costs and wear-and-tear expenses for up to five of the preceding years and may consider absorbing some of the costs by use of reserves.

Section 3. Adherence to Methodology

The Treasurer is hereby ordered that any changes to the components of the rate computation shall require a recalculation and adjustment to the customer's rates. Said calculation shall be performed at least annually or as the component pieces change significantly.

Section 4. Board Adoption:

Motion to adopt Resolution 21-12 was offered by Gonczy and seconded by Adams.

ROLL CALL: Aye; Adams, Burek, Gonczy, Hall, Shelby. Nay; Fuqua-Frey. Absent; Ortiz.

Resolution 21-12 Declared Adopted.



Brian Shelby, Supervisor



Kimberly Gonczy, Clerk

4/29/21

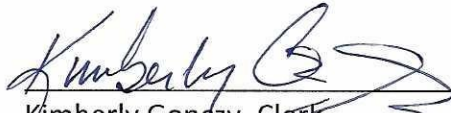
Date

4/29/2021

Date

CERTIFICATE

I, Kimberly Gonczy, the elected and acting Clerk of Augusta Charter Township, hereby certify that the foregoing resolution was adopted by the Augusta Charter Township Board, as presented at the meeting of said Board held on April 27, 2021, at which meeting a quorum was present, by a roll call vote of said members as herein before set forth; that said resolution was ordered to take effect May 1, 2021.



Kimberly Gonczy, Clerk



Date