

TITLE FOUR - Utilities

- Chap. 1040. Water Generally.
- Chap. 1042. Water Supply Cross Connections.
- Chap. 1044. Water Rates and Charges.
- Chap. 1046. Sewer and Water Connections.
- Chap. 1048. Wastewater Collection and Treatment.
- Chap. 1050. Utilities Generally.

CHAPTER 1040
Water Generally

EDITOR'S NOTE: Resolution 97-90, passed September 8, 1997, authorized the Village to join with the Township of Caseville in the incorporation of a Joint Municipal Water Authority, designated the Caseville Water Authority, for the purpose of acquiring, owning, improving, enlarging, extending and operating water system improvements and a water supply system. Resolution 97-91, passed September 8, 1997, approved the Caseville Water Authority's Articles of Incorporation. Resolution 98-97, passed August 10, 1998, approved amendments to the Articles of Incorporation. Resolution 99-17, passed February 10, 1999, dissolved the Caseville Water Authority. Copies of these resolutions may be obtained, at cost, from the Village Clerk.

The Village enters into agreements from time to time for the sale of water to other municipalities. Copies of the latest relevant legislation may be obtained, at cost, from the Village Clerk.

1040.01	Purpose; authority; findings; determinations.	1040.11	Disposition of unexpended balances.
1040.02	Construction of extensions and improvements.	1040.12	Obligations of Village re bonds.
1040.03	Applications for extensions.	1040.13	Issuance of additional bonds.
1040.04	Tap-ins; permit required; time for making installation; copper service lines.	1040.14	Disposition of accrued interest.
1040.05	Management of system by Council.	1040.15	Form of bonds.
1040.06	Fiscal year.	1040.16	Meters.
1040.07	Revenues; funds.	1040.17	Installation of second meters.
1040.08	Transfer of funds.	1040.18	Water emergencies.
1040.09	Investments.	1040.99	Penalty.
1040.10	Sale of bonds.		

CROSS REFERENCES

- Water quality - see Mich. Const., Art. 4, Sec. 52; M.C.L.A. Secs. 67.38, 323.1 et seq.
- Water supply generally - see Mich. Const., Art. 7, Sec. 24; M.C.L.A. Secs. 46.171 et seq., 123.11 et seq., 325.201 et seq., 486.51 et seq., 486.101 et seq.
- Water traffic control - see GEN. OFF. 666.01(24), S.U. & P.S. 1062.03
- Water pollution - see GEN. OFF. 678.04, 678.07
- Water supply cross connections - see S.U. & P.S. Ch. 1042
- Water rates and charges - see S.U. & P.S. Ch. 1044
- Sewer and water connections - see S.U. & P.S. Ch. 1046
- Payment for repairs needed because of alteration or covering of access to water or sewer service - see S.U. & P.S. 1050.02

1040.01 PURPOSE; AUTHORITY; FINDINGS; DETERMINATIONS.

Council hereby makes the following statement of purpose and legislative findings and determinations:

- (a) The purpose of this chapter is to establish and/or re-establish a water system to supply and regulate the use of potable water, to provide for the financing of the costs of improvements, enlargements, extensions and replacements of the water supply system, to establish the rates and charges for users of the water supply system, to provide for the rules and regulations regarding the use of the water supply system, and to provide penalties and enforcement means for violations thereof.
- (b) By establishing and regulating the water supply, the Village is exercising the authority granted to the Village by Public Act 94 of 1933, as amended; Public Act 278 of 1909, as amended (Home Rule Village Act); and Article 7, Section 24, of the 1963 Michigan Constitution.
- (c) The Village has previously found, and currently reaffirms, that the businesses, industries, governmental and charitable agencies and residents located in the Village need to have potable water for the protection of the public health, safety and welfare.
- (d) The Village further has previously found, and currently reaffirms, that the supply of potable water available from private wells within the Village is insufficient to assure that all businesses, industries, governmental and charitable agencies and residents will not have sufficient potable water available for their use unless the Village offers water to all properties located within the Village.

- (e) Based on the advice of its consultants, the Village has previously found, and currently reaffirms, that the most precise method of measuring for use of the water supply system by any user is by a meter installed and controlled by the Village.
- (f) The Village has previously found, and, further, currently reaffirms, that in order to provide and continue to provide clean potable water to all users of the water supply system, in quantities necessary for all varieties of use, it is necessary from time to time to install improvements, enlargements, extensions and repairs to the system.
- (g) The Village has previously found, and, further, currently reaffirms, that the rates, fees and charges established in these Codified Ordinances represent a reasonable relationship between the amount of the rate, fee and charge and the cost or value of the service or benefit conferred.
(Ord. 2000-4. Passed 3-20-00.)

1040.02 CONSTRUCTION OF EXTENSIONS AND IMPROVEMENTS.

Extensions of and improvements to the present water supply and distribution system shall be constructed when the same become necessary or proper, in the judgement of Council. The cost of all improvements to, and extensions of, the water supply system shall be at the expense of the person or properties benefitting from the improvements or extensions, reasonably proportioned to the benefits received, or at the expense of the General Fund of the Village.

(Ord. 2000-4. Passed 3-20-00.)

1040.03 APPLICATIONS FOR EXTENSIONS.

Whenever any property owner desires that the water system be extended to serve property owned by him or her, he or she shall make a written application therefor to Council, and in such application shall state the planned location thereof and the extent of the need for such extension. All such applications shall be approved, modified or rejected by Council within a reasonable time and as Council deems necessary or proper. No extension shall be constructed until the applicant has paid into the Village treasury the cost of all construction on the basis of the benefits to be received. (Ord. 301. Passed 4-4-49; Ord. 303. Passed 4-14-69.)

1040.04 TAP-INS; PERMIT REQUIRED; TIME FOR MAKING INSTALLATION; COPPER SERVICE LINES.

(a) Property owners of premises located between the present water system and the area serviced by an extension may tap on or make use of the extended water system by first paying to the Village Clerk a sum equal to the proportionate share of the total cost of such extension, as determined by Council, after obtaining a tap-in permit from Council.

(b) No person shall make any tap-in or use the present water system or any extension thereof without first obtaining a permit therefor from Council.

(c) Taps shall be installed on or before the occupancy permit is issued, or on or before 180 days after the issuance of the tap-in permit, whichever is sooner. A temporary extension of up to one year will be allowed until the completion of the Township Water Project.

(d) The water supply from the curb-stop to the meter shall be made with soft copper service lines. No soldering shall be permitted. Flared or compression-type fittings are to be used, with inspections to be made at the time of installation or repair.

(e) All new water services or repairs to existing water services shall have a shut-off valve before the meter located inside the building.
(Ord. Unno. Passed 4-12-99.)

1040.05 MANAGEMENT OF SYSTEM BY COUNCIL.

(a) The construction, alteration, repair and management of the water supply and distribution system, including the acquisition and construction thereof, shall be under the immediate supervision and control of Council.

(b) No owner or occupant shall build, construct or take any other action that will deny the Village access to the water and/or sewer right of way on his or her property. Any building, fence, shrub, tree, plant or other obstacle hindering the Village's access to the water and/or sewer right of way shall be removed at the expense of the owner or occupant, and the owner or occupant shall be liable to the Village for the cost of removal of the obstacle at a rate and amount to be set by Council.

(c) Council may make such rules and regulations governing the operation of the system and the collection of the service rates as it deems necessary for the efficient and proper management of the system. (Res. 96-66. Passed 6-10-96.)

1040.06 FISCAL YEAR.

The water supply and distribution system of the Village shall be operated on the basis of an operating or fiscal year commencing March 1 and ending February 28 or February 29.

1040.07 REVENUES; FUNDS.

The revenues of the water supply and distribution system are hereby ordered to be set aside, as collected, and deposited in a bank duly qualified to do business in the State, in an account to be designated the Water Supply System Receiving Fund. Such revenues so deposited are pledged for the purposes of the following funds and shall be transferred from the Receiving Fund periodically in the manner and at the times hereinafter specified:

- (a) Operation and Maintenance Fund. Out of the revenues in the Receiving Fund, there shall first be set aside, quarterly, beginning with the first quarter of operation, into a separate depository account designated the Operation and Maintenance Fund, a sum sufficient to provide for the payment, for the next quarterly period, of the current expenses of the 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) Bond and Interest Redemption Fund. There shall next be established and maintained a separate depository account known as the Bond and Interest Redemption Fund which shall be used solely for the purpose of paying the principal of and interest on the bonds hereby authorized. Such Bond and Interest Redemption Fund shall be maintained as a separate depository account in the bank or trust company where the bonds are made payable.

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 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. The amount so set aside for each quarter, commencing July 1, 1950, shall be not less than one-half of the total amount of interest next maturing on the bonds herein authorized. The amount set aside for principal each quarter commencing January 1, 1952, shall be not less than one-fourth of the amount of principal of the bonds next maturing.

There is hereby established in the Bond and Interest Redemption Fund a separate account, to be known as the Reserve Account, into which there shall be paid quarterly all of the revenues of the system after provision has been made for the Operation and Maintenance Fund and the Bond and Interest Redemption Fund, until such time as there has been accumulated in such Reserve Account the sum of five thousand dollars (\$5,000), which amount shall be accumulated not later than the close of the fiscal year commencing January 1, 1952. When such Reserve Account has been established in full, no further payments need to be transferred to such Account, except as hereinafter required to restore any subsequent deficiency therein. The Reserve Account shall be used solely for the payment of the principal and interest on such bonds as to which there would otherwise be default.

If, at any time, it is necessary to use moneys in the 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 chapter to be used for operation and maintenance or for current principal and interest requirements. However, such Reserve Account shall not be regarded as moneys otherwise appropriated or pledged for the purpose of determining the sufficiency of funds available for the redemption of callable bonds.

No further payment 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 Reserve Account) is equal to the entire amount of principal and interest which shall be payable at the time of maturity of all the bonds then remaining outstanding.

- (c) Improvement Fund. Any revenues remaining in the Receiving Fund at the end of any operating year, after satisfying the requirements set forth in subsections (a) and (b) hereof, shall be deemed to be surplus and may, in the discretion of Council, be either transferred to the Bond and

Interest Redemption Fund for the purpose of calling bonds or transferred into a fund designated the Improvement Fund and use for improvements, enlargements and extensions to the system. If any deficit exists in any of the specific funds of the system by reason of failure to set aside therein the amounts hereinbefore required, such surplus funds shall first be used to restore such Funds to the required amounts in the order of priority herein named.

(Ord. 301. Passed 4-4-49.)

1040.08 TRANSFER OF FUNDS.

If moneys in the Water Supply System 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 or securities in other funds of the water supply and distribution 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.

(Ord. 301. Passed 4-4-49.)

1040.09 INVESTMENTS.

Moneys in the Bond and Interest Redemption Fund over and above those being accumulated for the payment of principal and interest next maturing, and moneys in any other fund, except the Water Supply System Receiving Fund and the Operation and Maintenance Fund, may be invested in obligations of the United States. If such investments are made, the securities representing the same shall be kept on deposit with the bank or trust company having on deposit the fund or funds from which such purchase was made. Income received from such investments shall be credited to the fund from which such investments were made.

(Ord. 301. Passed 4-4-49.)

1040.10 SALE OF BONDS.

Bonds shall be sold and the proceeds therefrom applied in accordance with Act 94 of the Public Acts of 1933, as amended (M.C.L.A. Secs. 141.101 et seq.)

(Ord. 301. Passed 4-4-49.)

1040.11 DISPOSITION OF UNEXPENDED BALANCES.

Any bank authorized to do business in the State is hereby designated as an eligible depository of the proceeds of the sale of bonds sold pursuant to Section 1040.10. Out of the proceeds of such sale there shall first be deposited into the Bond and Interest Redemption Fund the amount of interest which will accrue on the bonds for the period for which interest was capitalized, and the balance shall be used solely to pay the cost of the water supply and distribution system herein

described and any engineering, legal or other expenses incident thereto and shall be paid out on authorization of Council. However, payments for construction, either on account or in full thereof, shall not be authorized unless there has been filed with Council a statement, in writing, signed by the registered engineer in charge of such work, to the effect that the work has been completed in accordance with the plans and specifications, that it was done pursuant to and in accordance with the contract therefor and that such work is entirely satisfactory. Any unexpended balance of the proceeds of the sale remaining after completion of the extensions and improvements herein authorized may, in the discretion of Council, be added to the extent of fifteen percent of the amount of such issue, and be used for further improvements, enlargements and extensions of the system, provided that, at the time of such expenditure, such use is approved by the Municipal Finance Commission. Any remaining balance after such expenditures shall be paid into the Bond and Interest Redemption Fund and shall be used either for the redemption of callable bonds or for the purchase, at not more than the fair market value, of outstanding noncallable bonds.

1040.12 OBLIGATIONS OF VILLAGE RE BONDS.

The Village 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:

- (a) The Village will maintain the water supply and distribution system in good repair and working order, 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 and service and the segregation and application of the revenues of the system in the manner provided in this chapter.
- (b) The Village will fix and collect rates and charges for all water service supplied by the system sufficient to provide for payment of the expenses of administration, operation and maintenance of the system, to provide for the payment of interest on and principal of all obligations payable therefrom, including the bonds herein authorized, as and when the same become due and payable, to create the Reserve Account herein required and to create the reserve for replacements. Such rates shall be fixed and revised from time to time as may be necessary to produce these amounts. (Ord. 301. Passed 4-4-49.)
- (c) Council will maintain and keep proper books of record and accounts, separate from all other records and accounts, in which shall be made full and correct entries of all transactions relating to the system. Not later than three months after the close of each operating year, Council 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 such 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 Village, any user of the service furnished or any holder or owner of the bonds, or anyone acting in his or her behalf, 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 with the Commission and such statement and books of record and accounts shall, at all reasonable times, be open to inspection by any taxpayer of the Village, user of the service or holder of any bonds, or anyone acting in his or her behalf. Council will also cause an annual audit of such books of record and accounts for the preceding operating year to be made by a recognized independent certified public accountant and will make such audit available to the holders of the bonds. Such audit shall be completed and made available after the close of each operating year.

(Adopting Ordinance)

- (d) The Village will maintain and carry, for the benefit of the holders of the bonds, insurance on all physical properties of the system, of the kind and in the amount normally carried by public utility companies and municipalities engaged in the operation of water systems. All moneys received for losses under 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.
- (e) The Village 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. Further, the Village 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.

(Ord. 301. Passed 4-4-49.)

1040.13 ISSUANCE OF ADDITIONAL BONDS.

The right is reserved, in accordance with Act 94 of the Public Acts of 1933, as amended, (M.C.L.A. Secs. 141.101 et seq.), to issue additional bonds payable from the revenues of the water supply and distribution system, which additional bonds shall be of equal standing with the bonds herein authorized for the full completion of the system herein authorized in accordance with plans and specifications therefor.

The right is further reserved, after completion of the project herein authorized, to issue additional bonds for extensions and improvements to the system, payable from the revenues of the system, which additional bonds shall be of equal standing with the bonds herein authorized. However, no such additional bonds shall be issued unless the average net revenues for the last two preceding operating years shall be equal to at least 150 percent of the average annual requirements for principal and interest thereafter maturing on the bonds herein authorized, on any then prior issued bonds of equal standing with those herein authorized and on such additional bonds then being issued. Permission of the Municipal Finance Commission (or such commission as shall have 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. (Ord. 301. Passed 4-4-49.)

1040.14 DISPOSITION OF ACCRUED INTEREST.

Any accrued interest received from the sale of bonds shall be deposited in the Bond and Interest Redemption Fund and applied toward the payment of interest next maturing after the delivery of such bonds.
(Ord. 301. Passed 4-4-49.)

1040.15 FORM OF BONDS.

Bonds provided for in this chapter shall be in substantially the form provided by State law.

1040.16 METERS.

(a) All business, commercial and industrial establishments that are connected to the Village water supply and distribution system shall have water meters connected and installed immediately.

(b) All other premises connected to the water system shall have water meters connected and installed when such meters are obtained by the system.

(c) The Village may discontinue water service to any premises or person who or which refuses to permit the connection and installation of water meters or fails to pay connection charges therefor.

1040.17 INSTALLATION OF SECOND METERS.

(a) The policy regarding the installation of second meters (non-sewer use) shall be as follows: All meters installed for non-sewer use (outdoor use) are to be installed after the master or main meter.

(b) Second meters not installed pursuant to subsection (a) hereof will not receive credit on the sewer bill. (Motion of Council. Passed 5-13-96.)

1040.18 WATER EMERGENCIES.

(a) The Village Council, or its designee, upon recommendation of the DPW Supervisor, may declare a water use emergency, and order a reduction in water use, when the supply or pressure demand for water cannot be accommodated and the general welfare is likely to be endangered, or conditions within the water system of the Village are likely to endanger the general welfare of all persons supplied with water by the Village. The DPW Supervisor, or his or her designee, shall determine that a state of emergency exists and prescribe the following emergency regulations which shall apply to all persons supplied with water by the Village: The sprinkling of lawns and landscaping and all outdoor water use shall only be allowed for properties with even-numbered addresses on even-numbered dates within a month and for properties with odd-numbered addresses on odd-numbered dates within a month.

(b) Whenever the DPW Supervisor deems it necessary, when notification is received from the Michigan Department of Environmental Quality, that provisions in subsection (a) hereof are not sufficient, or when conditions within the water system of the Village are likely to endanger the general welfare of all persons supplied with water by the Village, the following emergency regulations shall apply to all persons on the Village water system: No sprinkling of lawns and landscaping and no outdoor water use shall be allowed.

(c) Upon declaration of a water use emergency and the imposition of water use restrictions, the Village will announce such declaration by such use of cable television, public radio, broadcast television and newspapers with normal operating range covering the community as is determined appropriate and necessary.

(d) Water use restrictions ordered pursuant to this section shall remain in effect twenty-four hours per day, seven days per week, until the DPW Supervisor, or his or her designee, or Council, has declared an end to the water use emergency or determines that a more limited restriction will be sufficient to protect the health, safety and general welfare of the community. The DPW Supervisor, or his or her designee, may provide exceptions to water use restrictions where determined necessary to prevent imminent financial loss to a water user.

(e) No other portion, paragraph or phrase of these Codified Ordinances shall be affected by this section except as to the above sections, and in the event any portion, section or subsection of this section shall be held invalid for any reason, such invalidation shall not be construed to affect the validity of any other part or portion of this section or of these Codified Ordinances.

(Ord. Unno. Passed 4-12-99.)

1040.99 PENALTY.

(EDITOR'S NOTE: See Section 202.99 for general Code penalty if no specific penalty is provided.)

Whoever violates any of the provisions of Section 1040.18 is responsible for a civil infraction and shall be fined not more than five hundred dollars (\$500.00) for each offense.

(Ord. Unno. Passed 4-12-99.)