



COUNCIL ACTION SUMMARY SHEET

MEETING DATE: June 10, 2024

TOPIC Public Hearing and Adoption of FY 2024-25 Water and Sewer Rates

BACKGROUND BRIEF:

Village Council is scheduled to hold a public hearing on the proposed FY 2024-25 water and sewer rates and to consider adopting the rates as recommended by Administration. Public Works Director Sanchez will be providing a presentation on the methodology used to determine the recommended rates prior to opening the public hearing.

Attached is a copy of Director Sanchez's presentation.

SUMMARY OF PREVIOUS COUNCIL ACTION:

05/28/2024 – Village Council scheduled a public hearing on the proposed FY 2024-25 water and sewer rates for June 10, 2024, and requested that the Village Clerk publish the required notice.

FINANCIAL IMPACT:

Water readiness to serve charge is proposed to increase from \$72.37 per quarter to \$79.98 per quarter, an increase of \$7.61 per quarter (\$2.54 per month) or 10.52%.

Water commodity charge is proposed to increase from \$6.32 per 100 cubic feet to \$6.78, an increase of \$0.46 per 100 cubic feet or 7.28%.

Sewer readiness to serve charge is proposed to increase from \$94.52 per quarter to \$98.96 per quarter, an increase of \$4.44 per quarter (\$1.48 per month) or 4.70%.

Sewer commodity charge is proposed to increase from \$6.32 per 100 cubic feet to \$7.17 per 100 cubic feet, an increase of \$0.85 per 100 cubic feet or 13.45%.

RECOMMENDED MOTION:

#1 – To open the public hearing to receive public comments on the proposed Village of Lake Orion FY 2024-25 water and sewer rates.

#2 – To close the public hearing on the proposed Village of Lake Orion FY 2024-25 water and sewer rates.

#3 - To adopt as presented the following resolution establishing the Village of Lake Orion FY 2024-25 water and sewer rates:

**VILLAGE OF LAKE ORION
COUNTY OF OAKLAND
STATE OF MICHIGAN**

RESOLUTION NO. 2024-___

A RESOLUTION ESTABLISHING SEWER AND WATER FEES AND CHARGES PURSUANT TO CHAPTERS 51 AND 53 OF THE VILLAGE OF LAKE ORION CODE OF ORDINANCES.

WHEREAS, Chapter 51 of the Village of Lake Orion Code of Ordinances permits the village council to establish certain sewer fees and charges by resolution of the village council at a regular meeting after a public hearing; and

WHEREAS, Chapter 53 of the Village of Lake Orion Code of Ordinances permits the village council to establish certain water fees and charges by resolution of the village council at a regular meeting after a public hearing; and

WHEREAS, The Village Manager has submitted recommendations on necessary adjustments to water and sewer fees and charges; and

WHEREAS, The Lake Orion village council held a public hearing on the proposed water and sewer fees and charges pursuant to village code on June 10, 2024;

NOW, THEREFORE, BE IT RESOLVED that the Lake Orion village council does hereby establish the following sewer and water fees and charges pursuant to Chapters 51 and 53 of the Village of Lake Orion Code of Ordinances effective July 1, 2024, unless otherwise indicated:

SEWER FEES AND CHARGES

1. Capital Connection Charges:

- a. \$1,000.00 per connection if paid in cash; \$1,500.00 per connection if payment deferred (pursuant to Section 51.25(A))
- b. ~~\$2,000.00~~ **2,060.00** for the first residential equivalent unit (REU); ~~\$200.00~~ **206.00** for each additional unit or fraction thereof (pursuant to Section 51.25(B)) effective upon adoption of this resolution and to increase by three percent (3%) on each July 1 thereafter

2. Lateral Benefit Fees:

- a. \$2,500.00 per connection if paid in cash; \$3,750.00 per connection if payment deferred (pursuant to Section 51.26(A))

- b. ~~\$3,605.00~~ **3,713.00** per connection (pursuant to Section 51.26(B)), with said fee to increase by three percent (3%) on each July 1 thereafter

3. Sewage Disposal Charges:

a. Metered usage charges:

- i. ~~\$6.32~~ **7.17** per unit

b. Residential Unmetered usage charges (equal to base cost and cost for 33.42 units plus 10%):

- i. ~~\$305.81~~ **372.44** per quarter

c. Quarterly base surcharge (per quarter):

- i. Residential water off - ~~\$94.52~~ **98.96**
- ii. Residential metered up to 1" - ~~\$94.52~~ **98.96**
- iii. Multi-Family and Commercial metered up to ¾" - ~~\$94.59~~ **99.04**
- iv. Multi-Family and Commercial metered 1" - ~~\$168.16~~ **176.07**
- v. Multi-Family and Commercial metered 1.5" - ~~\$378.36~~ **396.15**
- vi. Multi-Family and Commercial metered 2" - ~~\$672.65~~ **704.26**
- vii. Multi-Family and Commercial metered 3" - ~~\$1,513.45~~ **1,584.59**

d. Industrial Waste Control (IWC) Charges – Set by Great Lakes Water Authority (schedule attached)

e. Pollutant Surcharges – Set by Great Lakes Water Authority (schedule attached)

4. Debt charges – Included in ready-to-serve charge

5. Permit and inspection fees – Set by Oakland County Water Resources Commissioner's Office

6. Service or Repairs to Private Property or Lines – Set by Oakland County Water Resources Commissioner's Office

WATER FEES AND CHARGES

1. Water Tap and Meter Fees:

- a. ¾" tap - ~~\$2,150.00~~ **2,215.00**

- b. 1" tap - ~~\$2,389.00~~ 2,460.00
- c. 1-1/2" tap - ~~\$3,105.00~~ 3,198.00
- d. 2" tap - ~~\$4,060.00~~ 4,182.00
- e. Greater than 2" tap - ~~\$5,374.00~~ 5,535.00 tap fee. Customer is responsible for making the tap and to pay for the meter at cost plus 20% administrative fee

2. Quarterly Ready to Serve Charges (per quarter):

- a. Residential water off - ~~\$72.37~~ 79.98
- b. Residential metered up to 3/4" - ~~\$72.37~~ 79.98
- c. Residential metered 1" - ~~\$90.47~~ 99.98
- d. Residential unmetered - ~~\$90.47~~ 99.98
- e. Multi-Family and Commercial metered 1" - ~~\$90.47~~ 99.98
- f. Multi-Family and Commercial metered 1.5" - ~~\$253.28~~ 279.92
- g. Multi-Family and Commercial metered 2" - ~~\$484.86~~ 535.85
- h. Multi-Family and Commercial metered 3" - ~~\$1,085.57~~ 1,199.74

3. Water Usage Charges: ~~\$6.32~~ 6.78 per unit

~~**4. Fire Hydrant Standby Water Charge to Township** - \$16.39 per fire hydrant~~

5. Water Turn-On and Turn-Off Charge - \$75.00

6. Cross Connection Inspection Fee - Actual contractor cost plus 10% administrative fee

7. Service or Repairs to Private Property, Meters, or Lines - Actual labor, material, and equipment cost plus ten percent (10%) administrative fee; contractual overtime labor charges apply outside of regular working hours

BE IT FURTHER RESOLVED that these rates shall automatically adjust annually by three percent (3%) unless council establishes other rates by resolution at a regular meeting after a public hearing.