

ORDINANCE NO. 571

UTILITIES CHAPTER AMENDMENT ORDINANCE

AN ORDINANCE to amend certain portions of the Utilities Chapter of the Code of Ordinances of Holland Charter Township, Ottawa County Michigan, by amending Chapter 34, Sections 34-34(1)-(3) and 34-274(3)-(4) regarding frontage charges.

THE CHARTER TOWNSHIP OF HOLLAND, OTTAWA COUNTY, MICHIGAN, ORDAINS:

Section 1. Amendment to Chapter 34, Sec. 34-34(1)-(3). That Sec. 34-34(1)-(3) of the Holland Charter Township Code shall be amended to read as follows:

- (1) Lateral fee.
 - a. If there is an existing sewer lateral, and if a lateral fee has not been paid or assessed against the premises to be served, a lateral fee, as provided in Schedule A appended to this division, for the installation and use of an existing sewer lateral line from the sewer line to the property line, shall be payable by each premises connecting to the system, provided that no lateral fee shall be payable where the sewer lateral to be utilized was constructed as part of a development or project in which private parties or the township on behalf of and at the expense of private parties have constructed the sewer lateral except that if the township has a contractual reimbursement obligation with respect to such sewer lateral, then a lateral fee shall be payable. If there is no existing sewer lateral, then the premises owners, or a third party on their behalf, shall construct and complete the sewer lateral at their sole expense in accordance with all township ordinances, construction standards, and other requirements.
 - b. The lateral fee may be paid in cash at the time an application to connect is made or, in the alternative, in installments. If paid in installments, the lateral fee may be paid in 20 equal consecutive annual principal installments.

Each installment shall be due and payable before June 1 of each year. The first installment shall be payable before the first June 1 following the date on which the application to connect is received by the township. Interest on the unpaid balance shall be due and payable annually on each principal installment date. Interest shall commence on the first day of the first month following the month in which the application to connect is received by the township.

If the sewer lateral line to be utilized was constructed with the proceeds of bonds, the interest rate per annum shall be the average interest rate on the

bonds, rounded to the nearest one hundredth of one percent, plus one percent. If the sewer lateral line to be utilized was not constructed with the proceeds of bonds, then the interest rate shall be eight percent per annum. If connection is made to a portion of the system not constructed with the proceeds of the sale of bonds which is then later financed with the sale of bonds, then the interest rate per annum shall then be adjusted to the average interest rate of the bonds, rounded to the nearest one hundredth of one percent plus one percent.

If a decision is made to pay the lateral fee in installments, the lateral fee may be paid in full at any time with interest accrued through the month in which payment is made. Partial prepayments are also permitted. All prepayments shall be applied to the installments payable in inverse order of their due date. If any installment or any interest due is not paid in a timely manner, then a penalty shall be charged at the rate of one percent for each month or fraction of a month that any amount remains delinquent.

If paid in installments, the unpaid balance of the lateral fee and all interest and penalties thereon shall constitute a lien on the premises served.

- (2) Frontage charge.
- a. Those premises adjacent to a system sewer line which either have not been included in a special assessment district to pay any part of the cost of such line, or have been included in a special assessment district but have not been assessed for the frontage on the sewer line which will provide sewer service to the connecting premises, shall pay a frontage charge, provided that no frontage charge shall be made where: (i) the entire frontage of the subject premises was previously assessed the frontage charge; or (ii) the system sewer line adjacent to the connecting premises was constructed as part of a development or project in which private parties or the township on behalf of and at the expense of private parties have constructed such sewer line except that if the township has a contractual reimbursement obligation with respect to such sewer line, then the frontage charge shall be payable. This frontage charge shall be calculated as is provided in Schedule A appended to this division.
 - b. The assessable frontage for each premises shall be measured at the edge of the street/road right-of-way. Except in the case of a corner lot as provided in this subsection, all premises shall be assessed for their full frontage regardless of whether the sewer line extends across the entire width of the premises, including those premises that do not have road frontage. All premises to be assessed under this subsection (2) shall be assessed for a minimum of 100 feet of frontage. In the case of lands zoned AG-Agricultural, the maximum frontage assessment shall be for 350 feet; frontage that is deferred pursuant to this provision shall pay a frontage charge at the then current rate when an application is made to connect a

premises that includes some or all of the deferred frontage to the system. Corner lots shall be assessed on both street frontage sides but shall receive an exemption of up to 150 feet on the long side. Notwithstanding the provisions of this subsection, on application from the owner or other interested party of the affected premises, the frontage charge may, by action of the township board by resolution, be waived, all or in part, when special or unusual circumstances exist. The township board may require the owner of the premises and/or interested party to execute and deliver to the township such agreements, in recordable form, financial guarantees, or other assurances as the township board shall determine to be reasonably necessary.

- c. The frontage charge may be paid in cash at the time an application to connect is made or, in the alternative, in installments. If paid in installments, the frontage charge shall be paid in 20 equal consecutive annual principal installments.

Each installment shall be due and payable before June 1 of each year. The first installment shall be payable before the first June 1 following the date on which the application to connect is received by the township. Interest on the unpaid balance shall be due and payable annually on each principal installment date. Interest shall commence on the first day of the first month following the month in which the application to connect is received by the township.

The interest rate per annum for connections to all portions of the system constructed with the proceeds of bonds shall be the average interest rate on the bonds, rounded to the nearest 100th of one percent, plus one percent. The interest rate for connections to all portions of the system not constructed with the proceeds of bonds shall be eight percent per annum. If connection is made to a portion of the system not constructed with the proceeds of the sale of bonds which is then later financed with the sale of bonds, then the interest rate per annum shall then be adjusted to the average interest rate on the bonds, rounded to the nearest 100th of one percent, plus one percent.

If a decision is made to pay the frontage charge in installments, the frontage charge may be paid in full at any time with interest accrued through the month in which payment is made. Partial prepayments are also permitted. All prepayments shall be applied to the installments payable in inverse order of their due date. If any installment or any interest due is not paid in a timely manner, then a penalty shall be charged at the rate of one percent for each month or fraction of a month that any amount remains delinquent.

If paid in installments, the unpaid balance of the frontage charge and all interest and penalties thereon shall constitute a lien on the premises served.

- (3) Trunkage charge.
 - a. Those premises which have not been included in a special assessment district, which included as part of the assessment a trunkage charge, shall pay a trunkage charge.
 - b. Those premises included in a special assessment district and which are connected to the public water system, where the trunkage charge component of the special assessment was determined based on a smaller size public water system meter or well water meter than is actually utilized, shall pay a trunkage charge. This trunkage charge shall be equal to the difference between the current trunkage charge for the size of the public water system meter or well water meter utilized to determine the special assessment and the current trunkage charge for the size of public water system meter or well water meter which is actually being installed. Those premises included in a special assessment district and who are not connected to the public water system and do not have a well water meter, where the trunkage charge component of the special assessment was determined on the basis of a smaller number of trunkage units than will actually be the case at the time of connection, shall pay a trunkage charge. This trunkage charge shall be equal to the difference between the number of trunkage units utilized to determine the special assessment and the number of trunkage units determined at the time of connection, multiplied times the trunkage charge per unit.
 - c. Those premises which have previously paid a trunkage charge as part of a special assessment or as part of a connection charge, and which are already connected to the system, but which request a larger public water system meter or a larger well water meter, shall pay a trunkage charge. This trunkage charge shall be equal to the difference between the current trunkage charge for the size of meter that is presently installed and the current trunkage charge for the requested larger meter.

Those premises which have previously paid a trunkage charge as part of a special assessment or as part of a connection charge, and which are already connected but are not served by the public water system and do not have a well water meter, shall pay an additional trunkage charge if they are expanded or the use thereof is altered so as to increase the intensity of sewer use. The additional trunkage charge shall be for the expansion or alteration of use. Those premises not served by public water and which do not have a well water meter which were assessed for trunkages as an unimproved parcel, but which are later improved, shall pay a trunkage charge for such improvements. The trunkage unit rate shall

be the rate at the time a building permit is issued for the expansion or alteration of use or for improvements to an unimproved parcel or, if no building permit is required, at such time as the premises are expanded or the use thereof is altered so as to require the payment of an additional charge or improvements are made at an unimproved parcel. The amount of the trunkage charge shall be determined by multiplying the trunkage unit rate times the number of trunkage units, for the particular improvement, expansion or alteration of use.

- d. The trunkage charge shall be as provided in Schedule A appended to this division. The trunkage charge shall only apply to the domestic water meter and shall not apply to a sprinkling water meter. If paid in installments, the unpaid balance of the trunkage charge and all interest thereon shall constitute a lien on the premises served.
- e. The number of trunkage units for premises not connected to a public water system and which do not have a well water meter shall be determined by the township based on the schedule of unit factors contained in Schedule B appended to this division and such other factors as the township determines as reasonable and appropriate, such as documented historical metered water use by similar facilities in the township and documented historical metered water use for similar facilities located outside the township.
- f. The trunkage charge shall be payable at the time that an application to connect to the system is made. If the premises are already connected to the system and are connected to the public water system, the trunkage charge shall be payable at the time a larger water meter is requested. If the premises are already connected to the system and are not connected to the public water system, the trunkage charge shall be payable at the time a building permit is issued for the expansion or alteration of use which requires the payment of an additional trunkage charge or, if no building permit is required, at such time as the premises are expanded or the use thereof altered so as to require the payment of an additional trunkage charge.
- g. The trunkage charge may be paid in full at the time an application to connect is made or, in the alternative, in installments. If paid in installments, the trunkage charge shall be paid in 20 equal consecutive annual principal installments.

Each installment shall be due and payable before June 1st of each year. The first installment shall be payable before the first June 1 following the date on which the application to connect is received by the township. Interest on the unpaid balance shall be due and payable annually on each principal installment date. Interest shall commence as of the first day of

the first month following the month in which the application to connect is received by the township.

The interest rate per annum for connections to all portions of the system constructed with the proceeds of bonds shall be the average rate on the bonds, rounded to the nearest 100th of one percent, plus one percent. The interest rate for connections to all portions of the system not constructed with the proceeds of bonds shall be eight percent per annum. If connection is made to a portion of the system not constructed with the proceeds of the sale of bonds which is then later financed with the sale of bonds, then the interest rate per annum shall then be adjusted to the average interest rate on the bonds, rounded to the nearest 100th of one percent, plus one percent.

If a decision is made to pay the trunkage charge in installments, the trunkage charge may be paid in full at any time with interest accrued through the month in which payment is made. Partial prepayments are also permitted. All prepayments shall be applied to the installments payable in inverse order of their due date. If any installment or any interest due is not paid in a timely manner, then a penalty shall be charged at the rate of one percent for each month or fraction of a month that any amount remains delinquent.

If paid in installments, the unpaid balance of the trunkage charge and all interest and penalties thereon shall constitute a lien on the premises served.

Section 2. Amendment to Chapter 34, Sec. 34-274(3)-(4). That Sec. 34-274(3)-(4) of the Holland Charter Township Code shall be amended to read as follows:

- (3) Frontage charge.
 - a. Those premises adjacent to a system water main which have not been included in a special assessment district to pay any part of the cost of such main, or which have been included in a special assessment district but have not been assessed for the frontage on the water main which will provide water service to the connecting premises, shall pay a frontage charge. However, no frontage charge shall be made where: (i) the entire frontage of the subject premises was previously assessed a frontage charge; or (ii) the system water main adjacent to the connecting premises was constructed as part of a development or project in which private parties or the township on behalf of and at the expense of private parties have constructed such water main except that if the township has a contractual reimbursement obligation with respect to such water main, then the frontage charge shall be payable. The water frontage charge shall be as provided in Schedule A appended to this division.

- b. The assessable frontage for each premises shall be measured at the edge of the street/road right-of-way. Except in the case of a corner lot as provided in this subsection, all premises shall be assessed for their full frontage regardless of whether the water main extends across the entire width of the premises, including those premises that do not have road frontage. All premises to be assessed under this subsection (3) shall be assessed for a minimum of 100 feet of frontage. In the case of lands zoned AG-Agricultural, the maximum frontage assessment shall be for 350 feet; frontage that is deferred pursuant to this provision shall pay a frontage charge at the then current rate when an application is made to connect a premises that includes some or all of the deferred frontage to the system. Corner lots shall be assessed on both street frontage sides but shall receive an exemption of up to 150 feet on the long side. Notwithstanding the foregoing provisions, on application from the owner or other interested party of the affected premises, the frontage charge may, by action of the township board by resolution, be waived, all or in part, when special or unusual circumstances exist. The township board may require the owner of the premises and/or interested party to execute and deliver to the township such agreements, in recordable form, financial guarantees, or other assurances as the township board shall determine to be reasonably necessary.
- c. The frontage charge may be paid in cash at the time an application to connect is made or, in the alternative, in installments. If paid in installments, the frontage charge shall be paid in ten equal consecutive annual principal installments.

Each installment shall be due and payable before June 1 of each year. The first installment shall be payable before the first June 1 following the date on which the application to connect is received by the township. Interest on the unpaid balance shall be due and payable annually on each principal installment date. Interest shall commence on the first day of the first month following the month in which the application to connect is received by the township.

The interest rate per annum for connections to all portions of the system constructed with the proceeds of the sale of bonds (the "bonds") sold by or on behalf of the township shall equal the average interest rate on the bonds, rounded to the nearest 100th of one percent, plus one percent. The interest rate for connections to all other portions of the system shall be eight percent per annum. If connection is made to a portion of the system not constructed with the proceeds of the sale of bonds which is then later financed with the sale of bonds, then the interest rate per annum shall then be adjusted to the average interest rate on the bonds, rounded to the nearest 100th of one percent, plus one percent. If paid in installments, the unpaid balance of the frontage charge and all interest thereon should constitute a lien on the premises served.

d. If a decision is made to pay the frontage charge in installments, the frontage charge may be paid in full at any time with interest accrued through the month in which payment is made. Partial prepayments are also permitted. All prepayments shall be applied to the installments payable in inverse order of their due date. If any installment or any interest due is not paid in a timely manner, then a penalty shall be charged at the rate of one percent for each month or fraction of a month that any amount remains delinquent.

(4) Trunkage charge.

a. Those premises which have not been included in a special assessment district, which included as part of the assessment a trunkage charge, shall pay a trunkage charge.

b. Those premises included in a special assessment district where the trunkage charge component of the special assessment was determined based on a smaller size water meter than will actually be utilized for the connection, shall pay a trunkage charge. This trunkage charge shall be equal to the difference between the current trunkage charge for the size of meter utilized to determine the special assessment and the current trunkage charge for the size of meter which is actually being installed.

c. Those premises which have previously paid a trunkage charge as part of a special assessment or as part of a connection charge, and which are already connected, but which request a larger water meter, shall pay a trunkage charge. This trunkage charge shall be equal to the difference between the current trunkage charge for the size of meter that is presently installed and the current trunkage charge for the requested larger meter.

d. The trunkage charge shall be as provided in Schedule A appended to this division and shall apply to a domestic meter as well as a sprinkling meter, if one is installed. If paid in installments, the unpaid balance of the trunkage charge and all interest thereon shall constitute a lien on the premises served.

e. The trunkage charge may be paid in cash or in installments. If paid in installments, the trunkage charge shall be paid in ten equal consecutive annual principal installments.

Each installment shall be due and payable before June 1 of each year. The first installment shall be payable before the first June 1 following the date on which the application to connect is received by the township. Interest on the unpaid balance shall be due and payable annually on each principal installment date. Interest shall commence on the first day of the first

month following the month in which the application to connect is received by the township.

The interest rate per annum for connections to all portions of the system constructed with the proceeds of bonds sold by or on behalf of the township shall equal the average interest rate on the bonds, rounded to the nearest 100th of one percent, plus one percent. The interest rate for connections to all portions of the system not constructed with the proceeds of bonds shall be eight percent per annum. If connection is made to a portion of the system not constructed with the proceeds of the sale of bonds which is then later financed with the sale of bonds, then the interest rate shall then be adjusted to the average interest rate on the bonds, rounded to the nearest 100th of one percent, plus one percent.

- f. If a decision is made to pay the trunkage charge in installments, the trunkage charge may be paid in full at any time with interest accrued through the month in which payment is made. Partial prepayments are also permitted. All prepayments shall be applied to the installments payable in inverse order of their due date. If any installment or any interest due is not paid in a timely manner, then a penalty shall be charged at the rate of one percent for each month or fraction of a month that any amount remains delinquent.

If paid in installments, the unpaid balance of the trunkage charge and all interest and penalties thereon shall constitute a lien on the premises served.

Section 3. Effective Date. This Ordinance was approved and adopted by the Township Board on July 6, 2017, after introduction and a first reading on June 15, 2017, and publication after such first reading as required by Michigan Act 359 of 1947, as amended. This Ordinance shall become effective on August 11, 2017, or as otherwise provided in the Chapter. All ordinances or parts of ordinances in conflict with this Ordinance are repealed to the extent of such conflict.

Terry Nienhuis, Supervisor

Michael Dalman, Clerk

CERTIFICATE

I, Michael Dalman, Clerk for the Charter Township of Holland, Ottawa County, Michigan, do hereby certify that the foregoing "Utilities Chapter Amendment Ordinance" was adopted at a special meeting of the Township Board held on July 6 2017. The following members of the Township Board present at the meeting: Nienhuis, Dalman, Bush, Becker and Nykamp. The following members of the Township Board were absent: TeSlaa and Church. The Ordinance was adopted by the Township Board with all members present voting in favor and no members of the Board voting in opposition. The Ordinance was published in the *Holland Sentinel* on July 12, 2017.

Michael Dalman, Clerk