

OWOSSO CITY COUNCIL

DECEMBER 21, 2009

7:00 P.M.

PRESIDING OFFICER: MAYOR BENJAMIN R. FREDERICK

OPENING PRAYER: MAJOR KEITH ~~DAILY~~ BAILEY *corrected per the Mayor
SALVATION ARMY 01-06-2010

PLEDGE OF ALLEGIANCE: COUNTY COMMISSIONER BRUCE ROBB

PRESENT: Mayor Benjamin R. Frederick, Mayor Pro-Tem Cindy S. Popovitch, Councilpersons Thomas B. Cook, Michael J. Erfourth, Christopher T. Eveleth, Joni M. Forster, and Gary W. Martenis.

ABSENT: None.

ANNUAL AUDIT PRESENTATION

Daniel Helisek and Shaun Krick, representatives from Plante & Moran, LLP, addressed the City Council with the 2008-2009 Audit Report. The City was given a clean, unqualified audit report.

Mr. Helisek congratulated the City on increasing its fund level balance a slight amount despite severe budgetary pressures throughout the year, though he cautioned the Council that continued difficult times are anticipated in the near future. He further cautioned the Council in regard to decreases in future State shared revenues and property tax revenues.

He went on to encourage the City to develop a 3-5 year plan when considering spending. Lastly he informed the Council the water and sewer enterprise funds were being depleted because water and sewer rates were too low to cover the current cost of operations.

APPROVE AGENDA

Motion by Councilperson Forster to approve the agenda as presented.

Motion supported by Mayor Pro-Tem Popovitch and concurred in by unanimous vote.

APPROVAL OF THE MINUTES OF REGULAR MEETING OF DECEMBER 7, 2009

Motion by Councilperson Eveleth to approve the Minutes of the Regular Meeting of December 7, 2009 as presented.

Motion supported by Councilperson Martenis and concurred in by unanimous vote.

SPECIAL PRESENTATIONS

None.

PUBLIC HEARINGS

SPECIAL ASSESSMENT DISTRICT NO. 2009-01-HAZARDS AND NUISANCES

The public hearing was conducted to receive citizen comment regarding Resolution No. 2 for Special Assessment District No. 2009-01, Hazards and Nuisances, as it relates to unpaid costs incurred in the altering, repairing, tearing down, abating or removing of hazards and nuisances.

The following persons addressed the Council in writing to protest the Special Assessment:

Leon & Marilyn Bonner, 547 Fairbrook, Northville, MI 48167
William Hanes, Member Land of Liberty, LLC

Council inquired how such requests for waiver have been handled in the past. It was noted that each circumstance was handled on its individual merits, some were granted others were not. It was further noted that should Council approve the roll tonight any charges on the roll could be removed prior to March 1, 2010 but no charges could be added to the roll after approval.

Motion by Councilperson Eveleth to adopt Resolution No. 2 as follows:

RESOLUTION NO. 63-2009

WHEREAS, the City Council has met, after due and legal notice, and reviewed the Special Assessment Roll-Hazards and Nuisances prepared for the purpose of defraying the unpaid costs incurred in the altering, repairing, tearing down, abating or removing of hazards and nuisances of the following described property described as follows:

Parcel Number	Type of Nuisance/Hazard	Amount
050-430-000-013-00	Property Clean-up	\$ 352.52
050-536-000-046-00	Property Clean-up	\$ 210.83
050-470-009-002-00	Property Clean-up	\$ 508.56
050-010-033-013-00	Property Clean-up	\$ 811.13
050-660-018-012-00	Property Clean-up	\$ 85.33
050-380-002-001-00	Property Clean-up	\$ 236.68
050-470-019-005-00	Board up Building	\$ 531.85
050-660-001-021-00	Tree Removal	\$ 2,254.78
050-652-001-006-00	Sidewalk Repair	\$ 82.75
050-500-001-003-00	Sidewalk Repair	\$ 100.00
050-660-018-015-00	Sidewalk Repair	\$ 334.75
050-470-016-001-00	Sidewalk Repair	\$ 2,252.13
050-536-000-046-00	Clear Ice/Snow	\$ 102.41
050-680-005-001-00	Clear Ice/Snow	\$ 118.70
050-112-000-013-00	Clear Ice/Snow	\$ 118.70
050-660-012-019-00	Mow Tall Grass/Weeds	\$ 501.13
050-390-004-012-00	Mow Tall Grass/Weeds	\$ 564.12
050-180-002-008-00	Mow Tall Grass/Weeds	\$ 232.25
050-490-000-043-00	Mow Tall Grass/Weeds	\$ 232.25
050-500-002-003-00	Mow Tall Grass/Weeds	\$ 360.43
050-660-001-005-00	Mow Tall Grass/Weeds	\$ 260.83
050-420-011-021-00	Mow Tall Grass/Weeds	\$ 95.40
050-115-003-010-00	Mow Tall Grass/Weeds	\$ 224.23
050-420-001-005-00	Mow Tall Grass/Weeds	\$ 171.96
050-115-003-012-00	Mow Tall Grass/Weeds	\$ 268.54
050-536-000-050-00	Mow Tall Grass/Weeds	\$ 187.08
050-010-032-029-00	Mow Tall Grass/Weeds	\$ 367.76
050-537-000-040-00	Mow Tall Grass/Weeds	\$ 233.66
050-113-002-007-00	Mow Tall Grass/Weeds	\$ 98.96
050-211-000-002-00	Mow Tall Grass/Weeds	\$ 267.30
050-673-004-022-00	Mow Tall Grass/Weeds	\$ 137.08
050-380-002-001-00	Mow Tall Grass/Weeds	\$ 177.69
050-673-004-021-00	Mow Tall Grass/Weeds	\$ 334.25
050-652-008-005-00	Mow Tall Grass/Weeds	\$ 77.69
050-541-000-047-00	Mow Tall Grass/Weeds	\$ 132.97
050-580-000-030-00	Mow Tall Grass/Weeds	\$ 165.79
050-660-019-012-00	Mow Tall Grass/Weeds	\$ 73.45
050-660-004-015-00	Mow Tall Grass/Weeds	\$ 462.74
	Total Roll	\$ 13,728.68

Motion supported by Councilperson Erfourth.

Roll Call Vote.

AYES: Councilpersons Forster, Cook, Erfourth, Eveleth, Mayor Pro-Tem Popovitch, Councilperson Martenis, and Mayor Frederick.

NAYS: None.

CITIZEN COMMENTS AND QUESTIONS

Bozena Bienias, 1432 Mallard Circle, indicated she appreciated all the positive changes she has seen since she became involved in City activities earlier this year. She went on to say that she hoped the City would institute a yard waste and recycling pick up.

Michael Cline, 411 North Chipman Street, inquired whether the City had tested the well water at 1218 Nafus Street. He said that the house never should have had a well in the first place and asked if the City would allow another house to be put in without city water service. He asked if it would be possible for contractors to put in service to the house when they are in the City doing other work for the water department.

Eddie Urban, 601 Glenwood Avenue, said he went to the annual Christmas party put on by the City of Corunna on Friday. He said it was a very nice event and he hoped the City of Owosso could organize something similar in the summer time.

Mayor Pro-Tem Popovitch shared an email from Bill Constine thanking the City for filling potholes. She also inquired about a recent fire and thanked John Hankerd for all of his work on the light display in Main Street Plaza, saying the display was very enjoyable.

Councilperson Eveleth indicated Mr. Hankerd had done an extensive amount of planning and work to put the display together.

Mayor Frederick indicated that Glow Owosso officials would be honored for their efforts at the next Council meeting.

CITY MANAGER REPORT

City Manager Fivas noted that City employees had adopted two local families this Christmas in memory of former building official John Archer.

He noted that the information presented for discussion on the public safety department was in no way meant to point to a definitive answer or make suggestions but simply to start the conversation on how to cut costs and maintain service.

Lastly he noted the joint DEQ/Department of Community Health rule making proposal to ban the burning of all non-organic waste materials within the State. The MML is looking for interested Council members that wish to participate in the rule making process. Mr. Fivas also noted that any citizens interested in the process can contact him to be placed on a mailing list to receive all relevant materials.

CONSENT AGENDA

Motion by Councilperson Forster to approve the Consent Agenda as follows:

Set Public Hearing. Set a public hearing for January 4, 2010 to receive citizen comment on an amendment to the Industrial Development District in the Southeast Industrial Park to include the property commonly known as 1370 East South Street, legally described as: PART OF N ½ OF N ½ OF NE ¼ SECTION 30 T7N R3E, DESCRIBED AS BEGINNING AT THE INTERSECTION OF NORTH LINE OF SAID SECTION AND WEST LINE OF MCMILLAN STREET, S01*27' 46" W 335.01', W 435.60', N01*27'46"E 335.01' TO NORTH LINE OF SAID SECTION, N01*26'37" E 335.01' TO POB. ALSO ADJACENT CLOSED SOUTH STREET.

Contract Agreement - Renewal. Authorized Contract Agreement renewal with Gary Palmer for building inspection services.

Warrant No. 395. Accepted Warrant No. 395 as follows:

Vendor	Description	Fund	Amount
Plante & Moran, PLLC	Professional services – work performed on the June 30, 2009 audit, final billing	General	\$26,900.00
Plante & Moran, PLLC	Professional services - work performed on Federal Programs audit, final billing	General	\$2,750.00
State of Michigan – Michigan Department of Environmental Quality	NPDES Annual Permit Fee	WWTP	\$5,500.00
SunGard Public Sector, Inc.	Software maintenance/licensing fees for Police Division computer system January 1, 2010 – December 31, 2010	General	\$7,703.76
Brown & Stewart, PC	Professional Services November 10, 2009 – December 14, 2009	General	\$8,682.96

Motion supported by Mayor Pro-Tem Popovitch.

Roll Call Vote.

AYES: Councilpersons Cook, Erfourth, Mayor Pro-Tem Popovitch, Councilpersons Eveleth, Martenis, Forster, and Mayor Frederick.

NAYS: None.

ITEMS OF BUSINESS

2010 SCHEDULE OF MEETINGS

Motion by Councilperson Forster to adopt the 2010 Boards and Commissions Meeting Schedule as follows:

**CITY OF OWOSSO
301 WEST MAIN STREET
OWOSSO, MICHIGAN 48867
COUNTY OF SHIAWASSEE, STATE OF MICHIGAN**

**SCHEDULE OF REGULAR MEETINGS
FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2010**

NOTICE IS HEREBY GIVEN, pursuant to the provisions of Act 267, Public Acts of 1976, of the schedule of Regular Meetings of the City of Owosso, County of Shiawassee, State of Michigan for the calendar year beginning January 1, 2010. The Board, dates, time and place of said regular meetings shall be as follows:

CITY COUNCIL					
The 1 st and 3 rd Monday of each month, except as noted – 7:30 p.m., local prevailing time					
Owosso City Hall, Council Chambers					
JAN 04	MAY 03		SEP 07*		
JAN 19*	MAY 17		SEP 20		
FEB 01	JUN 07		OCT 4		
FEB 16*	JUN 21		OCT 18		
MAR 01	JUL 06*		NOV 01		
MAR 15	JUL 19		NOV 15		
MAR 29	AUG 02		NOV 29		
APR 05	AUG 16		DEC 06		
APR 19	AUG 30		DEC 20		
EMPLOYEES RETIREMENT SYSTEM BOARD					
The 3 rd Thursday of each month, except as noted - 7:15 a.m., local prevailing time					
Owosso City Hall, Council Chambers					
FEB 18	APR 15	JUN 17	AUG 19	OCT 21	DEC 16
PLANNING COMMISSION			ZONING BOARD OF APPEALS		
The 4 th Monday of each month, except as noted – 7:00 p.m., local prevailing time			The 3 rd Tuesday of each month, except as noted – 9:30 a.m., local prevailing time		
Owosso City Hall, Council Chambers			Owosso City Hall, Council Chambers		
JAN 25	MAY 24	SEP 27	JAN 19	MAY 18	SEP 21
FEB 22	JUN 28	OCT 25	FEB 16	JUN 15	OCT 19
MAR 22	JUL 26	NOV 22	MAR 16	JUL 20	NOV 16
APR 26	AUG 23	DEC 27	APR 20	AUG 17	DEC 21
DOWNTOWN DEVELOPMENT AUTHORITY			OWOSSO HISTORICAL COMMISSION		
The 1 st Wednesday of each month, except as noted – 7:30 a.m., local prevailing time			The 3 rd Tuesday of each month, except as noted – 7:00 p.m., local prevailing time		
Owosso City Hall, Council Chambers			Gould House, 100 West Oliver Street		
JAN 06	MAY 05	SEP 01	JAN 19 6:30 pm	MAY 18	SEP 21
FEB 03	JUN 02	OCT 06	FEB 16 6:30 pm	JUN 15	OCT 19
MAR 03	JUL 07	NOV 03	MAR 16	JUL 20	NOV 16
APR 07	AUG 04	DEC 01	APR 20	AUG 17	DEC 21
PARKS & RECREATION COMMISSION			WESTOWN CORRIDOR IMPROVEMENT AUTHORITY		
The 4 th Monday of each month, except as noted – 6:00 p.m., local prevailing time			The 2 nd Wednesday of each month, except as noted – 7:00 p.m., local prevailing time		
Owosso City Hall, Council Chambers			The Connection Christian Church, 812 West Main St		
JAN 25	MAY 24	SEP 27	JAN 13	MAY 12	SEP 08
FEB 22	JUN 28	OCT 25	FEB 10	JUN 09	OCT 13
MAR 22	JUL 26	NOV 22	MAR 10	JUL 14	NOV 10
APR 26	AUG 23	DEC 27	APR 14	AUG 11	DEC 08
CABLE ACCESS ADVISORY COMMISSION			OWOSSO MID-SHIAWASSEE COUNTY WWTP REVIEW BOARD		
The 2 nd Monday of each month, except as noted – 5:00 p.m., local prevailing time			The 4 th Tuesday of each month, except December- 5:15 p.m., local prevailing time		
Owosso City Hall, Council Chambers			Wastewater Treatment Plant		
JAN 11	MAY 10	SEP 13	JAN 26	MAY 25	SEP 28
FEB 08	JUN 07	OCT 11	FEB 23	JUN 22	OCT 26
MAR 08	JUL 12	NOV 08	MAR 23	JUL 27	NOV 23
APR 12	AUG 09	DEC 13	APR 27	AUG 24	

* Rescheduled due to legal holiday on regular meeting date

Motion supported by Councilperson Erfourth.

Roll Call Vote.

AYES: Mayor Pro-Tem Popovitch, Councilpersons Erfourth, Cook, Forster, Eveleth, Martenis, and Mayor Frederick.

NAYS: None.

DEBT DISCHARGE – OWOSSO COMMUNITY PLAYERS

There was discussion as to whether the City should file for a second mortgage on the Lebowsky Center to further secure the City's interest in the project. There was hesitation to file for a second mortgage without consulting with OCP and Chemical Bank. City Manager Fivas offered to broach the subject with OCP at their next meeting. He pointed out that there is no deadline for filing a second mortgage so there was no need to rush.

There was further discussion regarding when the City should execute the discharge. Councilperson Erfourth noted it was his hope the discharge could be executed just prior to the point when Chemical Bank places its lien on the property.

Council also expressed a desire to review construction bids prior to releasing grant funds for the project.

Motion by Councilperson Cook to discharge the Development Agreement, Promissory Note, and Mortgage as it relates to the Lebowsky Center and direct staff to explore establishing a second mortgage as follows:

**DISCHARGE OF DEVELOPMENT AGREEMENT,
PROMISSORY NOTE AND MORTGAGE**

KNOW ALL MEN BY THESE PRESENTS, That CITY OF OWOSSO, a Michigan municipal corporation, whose address is 301 West Main Street, Owosso, Michigan, do hereby certify, that a certain Development Agreement, Promissory Note and Mortgage dated June 10, 2008, made and executed by OWOSSO COMMUNITY PLAYERS, party of the first part, to CITY OF OWOSSO, a Michigan municipal corporation, party of the second part, and recorded in the Register of Deeds Office for the County of Shiawassee, State of Michigan, in Liber 1124, Page 319, covering land situated in the City of Owosso, Shiawassee County, Michigan, described as:

Lot 11, Block 27 of the original plat, (except beginning at the Northeast Corner of said Lot, thence South 24.15 feet, thence West 21 feet, thence North 11.5 feet, thence East 1.45 feet, thence North 4.55 feet, thence West 1.45 feet, thence North 4.7 feet, thence East 2.65 feet, thence North 1.8 feet, thence East .65 feet, thence North 1.6 feet to the North line of Lot 11, thence East 17.7 feet to the point of beginning).

is fully terminated, and discharged.

Motion supported by Councilperson Eveleth.

Roll Call Vote.

AYES: Councilpersons Eveleth, Martenis, Forster, Mayor Pro-Tem Popovitch, Councilpersons Erfourth, Cook, and Mayor Frederick.

NAYS: None.

QUARTERLY WATER BILLING ADJUSTMENTS - COLLECTION

Utilities Director Burk indicated this item follows the discussion and suggestions from the last Council meeting. He pointed out the key changes in the policy as: allowing additional time between the due date and the disconnection date for payment and adding a new notification step. He went on to say that the Guidelines expand on our current practices and provide better parameters for staff to make adjustments to bills.

Motion by Councilperson Erfourth to authorize changes to the Standard Procedure for the Issuance and Collection of Utility Bills and the Guidelines for the Adjustment of Utility Bills to reflect the change to quarterly billing as follows:

**CITY OF OWOSSO COUNCIL RESOLUTION
STANDARD PROCEDURES FOR ISSUANCE AND COLLECTION
OF UTILITY BILLS**

Pursuant to the authority conferred upon it by the Charter of the City of Owosso, Chapter 34, Article III of the Owosso City Code, the City Council does hereby resolve that all retail

water/sewer customers, except as noted below, shall be billed on a quarterly basis beginning with the quarter to be billed at the end of December 2009, with usage charges based upon the meter readings of September (start) and December (end) 2009. The standard billing procedures are as follows, except that modifications may be required in response to unusual circumstances:

1. Beginning with the quarter ending December 31, 2009 retail water and sewer bills shall be based upon quarterly meter readings and billed quarterly except that "Large Users" (as defined by the Director of Public Services) may, at his discretion, be based upon monthly meter readings and be billed monthly.
2. The timeline for quarterly billing is to be as outlined below with the understanding that there may be some variance of dates or time periods due to unusual conditions. The billing and due dates for monthly bills, if any are to be issued, shall continue as previously practiced with modifications as required for consistency with the quarterly billing schedule.

Nominal bill dates:

The nominal bill dates are December 31st, March 31st, June 30th, and September 30th. The December 31st bill includes applicable Demand Charges for the three months of October, November and December, usage charges based on an initial meter read generally in September and a quarter end read generally in December, and any other applicable miscellaneous charges during that quarter. Other quarters follow a consistent pattern. Note that the meter read dates may vary by one to two weeks due to weather and staffing considerations.

Bills processed and mailed:

Generally within 5 business days following the nominal bill date

Bill due date:

Generally the last business day of the month of mailing with the goal of allowing three full weeks from delivery of the bill to the due date. For example, January 29, 2010 for bills with a nominal billing date of December 31, 2009, which should be delivered by January 8, 2010.

Late penalty assessment:

Generally within a few business days following the due date allowing time for receipt of payments from other collection agents (e.g. banks).

Past due notice:

Past due notices with late penalty assessment will generally be mailed within 10 calendar day following the bill due date. Customers will be advised that past due amounts not received by the 15th of that month (or the nearest business day to the 15th) will be subject to service disconnect procedures.

Disconnect Notice:

Disconnect notice, either mailed or door hanger, to be issued as soon as practical following the 15th of the month.

Non-Pay shut-off date:

Generally the last business day of the month following the bill due date, or the first business day of the next month for short months like February. This will generally allow four weeks or more after the bill due date prior service disconnect to enforce payment. For example, March 1, 2010 for bills due January 29, 2010 or August 31, 2010 for bills due July 30, 2010. If payment is not received by that day the City may proceed to shut-off service to enforce payment any time after that date.

3. Water and sewer charges will be converted and/or adjusted, as needed, to a quarterly rate, based upon the monthly rate schedules as outlined in the existing Council Resolution, "WATER AND SEWER RATE SCHEDULE FOR WATER AND SEWER BILLS ISSUED ON OR AFTER SEPTEMBER 30, 2005", Adopted September 6, 2005, or until such time as this resolution is superseded to adjust for a quarterly billing rate schedule.
4. Utility bills shall be based upon water meter size, metered usage charge, other charges for service, late payment charges, and miscellaneous water service charges/circumstances.
5. All bills shall be sent to the mailing address as recorded in the official file of the account.

6. Bills are due and payable by the "Billing" due date to be considered paid timely and to avoid late payment charges. Partial payments and pre-payments will be accepted, and posted to an account upon receipt, anytime during the utility billing cycle as a convenience to our customers.

7. If a bill is unpaid at its original "Billing" due date, a "Past Due Notice", and "Disconnect Notice" if necessary, may be sent to the mailing address as recorded in the office file of the account. If the account is in the name of someone other than the owner(s) a "Past Due Notice", and Disconnect Notice if necessary, may also be mailed to the service address and/or to the owner(s) of record of the parcel as referenced in the tax rolls. "Disconnect Notices" will clearly indicate that, "Service will be scheduled for shut-off if not paid by a specified date", additionally noting, "no further notice will be given prior to shut-off", and shall serve as final notice prior to shut-off.

8. All water and/or sewer bills may be subject to a late payment charge of 10% of the current amount due. Applicable late payment charges for failure to make prompt payment will be added to the account balance prior to issuance of "Past Due" Notice or the next bill.

9. If a bill is unpaid at its "Disconnect Notice" due date, the account shall be reviewed for eligibility and;

a) scheduled for shut off, or

b) removed from the shut off list by the Director of Public Services and/or his/her designee due to exceptional conditions such as; a review of the account has been requested and is in progress, a correction or adjustment has been made, an agreement for payment has been executed, an appeal is in progress, a minimal amount is due, or for another exceptional condition which is pending.

10. A list of accounts scheduled for shut off shall be prepared, by the Water Office and reviewed/updated on the day prior to the scheduled shut-off day and forwarded to the appropriate staff for shut off.

11. Non-pay shut-offs will be accomplished following the due date of the "Disconnect Notice". If any person shall refuse or neglect to pay their utility bill "Disconnect Notice" after it has become due and payable, it shall be the duty of the Utilities Director and/or Director of Public Services to cause the water and/or sewer service to be discontinued. Service shall not be restored until all arrears in water and sewer service charges are paid in full, together with any/all service costs as necessitated by non-payment of water and/or sewer bills.

12. Additional charges incurred by the City may be billed to and paid by any user when it is necessary to collect and analyze wastewater samples discharged by the user to remove or treat prohibited material discharged by the user, or to clean or repair wastewater facilities or any part thereof as a result of the user's discharge.

13. The Utilities Director shall have the authority to cause a water and/or sewer bill to be adjusted if a determination is made that a significant loss of water has occurred, and was not due to negligence or fault of the customer. These determinations will be made in accordance with guidelines established by the City and will be documented for future reference.

14. A customer may request a final read at any time during a billing cycle, and a final bill will be generated.

**CITY OF OWOSSO
GUIDELINES FOR ADJUSTMENTS TO WATER OR SEWER USAGE CHARGES**

This is a guideline to provide direction to enable water billing staff to directly address routine situations and better serve our customers without having to route the customer to a supervisor that might entail delays and inconvenience for the customer. It is not a hard and fast rule. If circumstances do not fit the guideline, the issue should be brought to supervision for discussion, direction, or a final determination.

A. QUESTIONS OF METER ACCURACY

New water meters are tested and certified accurate by the meter manufacturer. Typical water meters for retail water sales rely on the water flow through the meter for registration on a sealed register similar to a car odometer. As meters age and wear they tend to under-register and finally stop registering altogether. Additionally, the meter mechanism may become jammed from corrosion or mineral scale detached from older pipes and also fail to register usage. For meters with a remote read device, the remote read may fail to register usage due to a broken or disconnected wire between the actual meter and the remote device. Usage is determined from the actual meter's sealed register reading, and the remote device reset to match the actual meter register. If there is evidence or reasonable suspicion of any bypass or tampering with any metering device, the situation should be reported to a supervisor for investigation and follow-up.

In the event of no usage on an active account, or reduced usage over a billing quarter, attributable to a stopped meter, the City will attempt to fix or replace the meter as soon as

practicable. If the actual usage cannot be determined for a billing quarter, the usage charges will be based on the customer's previous average use for the appropriate quarter. If the customer does not cooperate in scheduling an appointment for meter change-out prior to the next billing quarter, the estimated usage charge for that next quarter may be based on two times the previously metered average use until access is allowed for meter change-out. Customer usage following the meter change-out may be reviewed and appropriate adjustments made to the previous quarter's estimate of usage charges.

If a customer questions the metered water usage, the City shall first verify by inspection that the meter was properly read. For meters with a secondary remote readout, a reading from the actual sealed register shall be obtained and is the official read. If the secondary remote read-out was different than the actual sealed register reading, then that remote read-out will be adjusted to read the same as the sealed register, and the read from the sealed register shall be the basis for the water and sewer billing.

If a customer still questions the meter accuracy, they may request a meter be tested and the City shall follow the City Code provisions, which are copied below.

Sec. 34-74. Inaccurate meters.

A consumer may require that the meter be tested. If the meter is found accurate, a charge as prescribed by resolution of the council will be made. If the meter is found defective, it shall be repaired or an accurate meter installed and no charge shall be made.
(Code 1977, § 2.29)

Sec. 34-75. Accuracy required.

A meter shall be considered accurate if, when tested it registers not to exceed five (5) percent more or five (5) percent less than the actual quantity of water passing through it. If a meter registers in excess of five (5) percent more than the actual quantity of water passing through it, it shall be considered "fast" to that extent. If a meter registers in excess of five (5) percent less than the actual quantity of water passing through it, it shall be considered "slow" to that extent.
(Code 1977, § 2.30)

Sec. 34-76. Bill adjustment.

If a meter has been tested at the request of a consumer and shall have been determined to register "fast," the city shall credit the consumer with a sum equal to the percent "fast" multiplied by the amount of all bills incurred by the consumer, within the three (3) months prior to the test, and if a meter so tested is determined to register "slow," the public services department may collect from the consumer a sum equal to the percent "slow" multiplied by the amount of all the bills incurred by the consumer for the prior three (3) months. When the department on its own initiative makes a test of a water meter, it shall be done without cost to the consumer, other than his or her paying the amount due the city for water used by him or her as above provided, if the meter is found to be "slow."

B. LEAKS IN THE CUSTOMER SERVICE PLUMBING SYSTEM

The customer is responsible for maintaining their plumbing system including promptly identifying and correcting plumbing leaks that result in wasted water and high water and sewer bills. For example, a toilet left running at a 1 gallon per minute fill rate can waste over 1400 gallons per day or about 130,000 gallons over a 90 day billing quarter. The resulting water & sewer bill can be hundreds of dollars higher than normal if leaks are not promptly identified and corrected.

However, from time to time plumbing leaks will occur and result in significantly higher than normal water and sewer usage charges even with due care and proper response by the customer. For example, (1) an underground leak between a pit meter by the curb and the house from which the water does not surface but seeps into well drained sandy soil and is not detected until the meter read indicates high usage, (2) an outside hose bibb is turned on and let run by vandals while the customer is away, (3) a hot water tank leak to a basement drain that goes undetected for a reasonable period, (4) a furnace humidifier stuck in the on position with excess water routed directly to a drain, (5) a toilet leak that the customer was not aware of, or is identified by a plumber or our service technician. In such situations the City will consider adjusting water and/or sewer usage charges in accordance with the guidelines that follow. Generally, a customer should not expect more than one such adjustment in a year's time.

Routine outside water use for lawn irrigation, car washing, etc. is not a "leak" and not subject to adjustment of charges. To avoid sewer usage charges on lawn irrigation water a customer has the option of arranging for a separately metered water only service account. However, the

customer will have plumbing expenses, including the cost of the additional meter, and an additional quarterly demand charge associated with such service so we recommend a case by case determination of whether a separately metering outside water use is cost-effective for a customer requesting that option.

Step 1. Identify whether there has been a significant increase in metered usage.

For this procedure a significant increase in usage is two times or more the normal consumption expected during the billing period, and generally in excess of 24 meter units per quarter for a residential customer. In response to a customer inquiry or on discovering high metered usage prior to billing, the first step is to verify the meter read. If practical, obtain a direct read from the sealed register to cross check a read from a remote or radio transmitter device. If this follow-up read indicates an ongoing leak, the water service technician, with the customer's consent, can provide some assistance in identifying a leak without additional charge to the customer within the time frame of a routine service call.

Step 2. Determine the nature of the leak(s) and that it has been corrected.

Determine if the leaked water went to the wastewater system as in the case of a toilet leak or leak to a basement floor drain. Prior to adjusting sewer charges we will also need to verify that there are no illicit connections such as a footing drain sump pump discharge line or roof drains contributing non-metered water flows to the wastewater system. This should preferably be done in conjunction with verifying the meter read and leak investigation under step 1. Alternatively, you can rely on a City inspection report, if completed within the last year, or we will need to arrange for an inspection prior to making an adjustment.

Verification that the leak has been fixed can be evidenced by a return to normal usage and verification by the service technician in the field or the customer's submittal of plumbing receipts for work done to correct a leak or eliminate the leaking equipment.

Step 3. Determine the bill adjustment amount

a. Water Usage Charge Adjustment

The customer is charged the full water usage rate for their normal average water use. If a residential customer does not have a billing history, assume 24 meter units per quarter for average water use (for other cases consult with a supervisor). The metered water use above the average attributed to an identified and corrected leak can be charged at an incremental usage rate estimated at 50% of the full usage charge rate. This alternate usage rate covers the incremental or variable costs for producing and supplying this "one time", excess water use (i.e. costs for power, chemicals, etc. but not other fixed costs such as personnel, capital infrastructure, etc.).

For example, if the customer's average water use was 30 units per quarter, and they had a bill for 100 units in a quarter due to a toilet leak that was corrected by the homeowner, the water usage adjustment to an already issued bill would generally be accomplished with a credit to the account of $[100 \text{ units} - 30 \text{ units (average)}] \text{ times } 50\% \text{ of the water usage rate}$.

b. Sewer Usage Charge Adjustment

Staff is not authorized to adjust sewer usage charges for a customer until receiving clearance that the customer's building has no un-metered illicit discharges to the wastewater system, such as a footing drain sump pump or roof drain connection.

In cases where there is sufficient information to determine that the water from the plumbing leak did not go to the wastewater system, the sewer usage charge is to be based on the customer's average metered usage at the full sewer usage rate. If there is not a billing record for the customer, the average residential usage is estimated at 24 units per quarter (confer with a supervisor for other users).

In cases where the leaked water went to the wastewater system, or if the nature of the leak could not be verified, the customer's average usage is charged at the full sewer usage rate, but the "excess" sewer usage above the average can be charged at an "incremental" usage rate estimated at 50% of the full rate similar to the water adjustment.

c. Other Considerations

The leak adjustment is to cover an event with the understanding that the event may continue beyond the initial quarter if the leak is not detected until some time after the ending meter read and/or issuance of the high bill. Determination of the "leak period" and resulting adjustments may require additional consultation with a supervisor but should otherwise be consistent with the above guidelines.

If the customer promptly questions a high bill prior to the bill due date, the account can be exempted from late penalty charges if the customer proceeds in good faith to correct the leak and pay at least the average quarterly charge amount. Staff can also follow payment arrangement procedures for such higher than normal bills allowing the customer additional time to pay the adjusted bill without late penalty charges, with the goal of bringing the account balance to zero prior to the issuance of the next quarterly bill.

A supervisor (Utility Director, Finance Director, Treasurer) shall review and approve adjustments before they are applied to an account.

C. POOL FILL SEWER USAGE CHARGE ADJUSTMENT

Customers with backyard pools may request an adjustment to the sewer usage charge to account for significant water volumes (in excess of 12 meter units in a period of one or more consecutive days) that go through the house meter and used for the initial filling of a swimming pool for which the pump out or drainage will not be directed to the wastewater system. Such adjustments are generally limited to no more than one a year. If a customer desires to avoid sewer usage charges on water used to top off or otherwise go to the pool on an ongoing basis, they will need to arrange for a separately metered water only service account as is the practice for lawn irrigation systems.

Staff is not authorized to adjust sewer usage charges for a customer until receiving clearance that the customer's building has no un-metered illicit discharges to the wastewater system, such as a footing drain sump pump or roof drain connection. Generally, this will require an inspection that would also include verification of water meter reading and pool volume. A \$20 service call charge (at 2009 rates) would apply. Therefore, there is no cost savings to a customer unless they would be using over 12 units (1200 cubic feet) of water for the pool fill. This equates to about a 20 foot circular pool 4 feet in depth, or a 15' x 20' pool 4 feet in depth.

If the customer desires to proceed, a service call is scheduled for the inspection and verification of pool volume and start meter reading. The sewer use adjustment would generally be based on calculated pool fill volume but should be cross checked with the initial and following quarterly meter reads for consistency. The resulting sewer credit and service call charge would then be applied to the account.

Motion supported by Councilperson Forster.

Roll Call Vote.

AYES: Councilpersons Cook, Eveleth, Erfourth, Mayor Pro-Tem Popovitch, Councilpersons Martenis, Forster, and Mayor Frederick.

NAYS: None.

QUARTERLY WATER BILLING ADJUSTMENTS – RATE SCHEDULE

Utilities Director Burk indicated this adjustment to the rate schedule is purely to reflect the change to quarterly billing and does not represent an increase or decrease in the rates.

Motion by Mayor Pro-Tem Popovitch to authorize a resolution approving revisions to the Water and Sewer Rate Schedule to reflect the change from monthly to quarterly as follows:

RESOLUTION NO. 64-2009

WATER AND SEWER RATE SCHEDULE

Pursuant to Sections 34-248. Water Rates. and 34-249. Sewer Rates. of Article V. of Chapter 34 of the Owosso City Code, the City Council does hereby resolve that the following rate schedule for water and sewer service shall be in effect for water and sewer service bills with date of billing on or after December 31, 2009. All previous resolutions or parts thereof, insofar as the same may be in conflict herewith, are hereby repealed.

(Note: No actual change in rates – modification to reflect change from monthly to quarterly billing)

**CITY OF OWOSSO
WATER AND SEWER RATE SCHEDULE
FOR WATER AND SEWER BILLS ISSUED ON or AFTER DECEMBER 31, 2009**

I. QUARTERLY WATER AND SEWER RATES

Quarterly water and sewer service charges consist of a demand charge plus a metered usage charge. One meter unit is equal to 100 cubic feet of water or about 750 gallons. Rates for retail out-of-town water service are double the in-town rate. The City has no retail out-of-town sewer service.

Bills are issued on a quarterly basis and, if not paid by the due date as shown on the billing, a late payment charge of ten percent (10%) of the current amount due may be added for failure to make prompt payment.

QUARTERLY WATER SERVICE CHARGE:

In-town: \$1.20 per meter unit + In-town Water Demand Charge from Table below.

Out-of-town \$2.40 per meter unit + Out-of-town Water Demand Charge from Table below.

QUARTERLY SEWER SERVICE CHARGE:

\$1.70 per unit + Sewer Demand Charge from Table below.

For residential customers without metered water service, the quarterly sewer charge shall be \$63.30 per residential unit.

QUARTERLY DEMAND CHARGE TABLES

A. Potable Water & Sewer Service

Water Meter Size	Water (In-town)	Sewer (In-town)	Combined (In-Town)	Water Only (Out-of-town)
5/8"	\$22.50	\$22.50	\$45.00	\$45.00
3/4"	33.75	33.75	67.50	67.50
1"	56.25	56.25	112.50	112.50
1.5"	112.50	112.50	225.00	225.00
2"	180.00	180.00	360.00	360.00
3"	337.50	337.50	675.00	675.00
4"	562.50	562.50	1,125.00	1,125.00
6"	1,125.00	1,125.00	2,250.00	2,250.00

The demand charge for multiple residential units served by a single water meter shall be based on actual meter size provided the meter meets the minimum size requirement per the following table:

<u>Number of Apartments</u>	<u>Minimum Meter Size</u>
1 - 3	5/8"
4 - 7	3/4"
8 - 11	1"
12 - 15	1&1/2"
16 & up	2"

B. Fire Protection Service

<u>Sprinkler Service Size</u>	<u>Quarterly Water Demand Charge</u>	
	<u>In-town</u>	<u>Out-of-Town</u>
4 inch	\$ 33.75	\$ 67.50
6 inch	\$ 56.25	\$112.50
8 inch	\$112.50	\$225.00
10 inch	\$180.00	\$360.00

II. EXTRA STRENGTH WASTEWATER SURCHARGES

Extra strength wastewater surcharges shall apply to those users of the City wastewater treatment system approved for the discharge of extra strength wastewater in accordance with Section 34-170. of the Owosso City Code. The surcharge rate shall be applied to loadings in excess of the base or normal strength loading.

EXTRA STRENGTH WASTEWATER SURCHARGE SCHEDULE

<u>PARAMETER</u>	<u>BASE</u>	<u>SURCHARGE</u>
BOD-5	220 MG/L	\$0.10/pound in excess of base
TSS	300 MG/L	\$0.16/pound in excess of base
TP	10 MG/L	\$1.42/pound in excess of base
NH3-N	20 MG/L	\$0.76/pound in excess of base

(Note: BOD-5 = Biochemical Oxygen Demand; TSS = Total Suspended Solids; TP = Total Phosphorous; NH3-N = Ammonia Nitrogen; MG/L = Milligrams per Liter)."

III. HYDRANT RENTAL CHARGES

Hydrants located outside the City of Owosso and private hydrants maintained by the City of Owosso shall be subject to an annual hydrant rental charge of \$108.

IV. BULK WATER CHARGES

For users with an active city water service connection, bulk water delivered by the city from hydrants or other approved outlets for such purposes as pool filling, shall be charged at the standard metered usage rate given in Section I. above along with actual labor and equipment costs with a minimum charge of \$32.50, which includes up to 5,000 gallons.

Other bulk water sales, such as filling tank trucks, shall be charged at the rate of \$6.50 per thousand gallons with a \$32.50 minimum charge, which includes up to 5,000 gallons, if during the normal workday at an established city delivery point. After hours bulk water sales and/or sales at other than established city delivery points, shall be charged at the rate of \$6.50 per thousand gallons plus actual labor and equipment costs.

(Note: These charges do not apply to water supplied for fire fighting).

Motion supported by Councilperson Eveleth.

Roll Call Vote.

AYES: Councilpersons Erfourth, Martenis, Forster, Eveleth, Mayor Pro-Tem Popovitch, Councilperson Cook, and Mayor Frederick.

NAYS: None.

COMMUNICATIONS

- Christopher Perry. Letter of Resignation – Cable Access Advisory Commission.
- Gary M. Burk, Utilities Director. Drinking water options – 1218 Nafus Street.
- Gary M. Burk, Utilities Director. Background information on Water Fund revenues, expenses and fund balance.
- Michael T. Compeau, Public Safety Director. November 2009 Police Department Report.
- Michael T. Compeau, Public Safety Director. November 2009 Fire Department Report.
- Downtown Development Authority. Minutes of Meeting of December 2, 2009.
- Shiawassee Area Transportation Agency. Minutes of Meeting of November 10, 2009.

Councilperson Martenis indicated he appreciated seeing our policemen and firemen out and about in the community protecting citizens and training for potential emergencies.

City Manager Fivas indicated that if Council has any suggestions as to how to make communications and reports more useful he is open to any new ideas.

Councilperson Cook suggested it would be nice to see trend data for the public safety reports.

Mayor Pro-Tem Popovitch asked that the water issue at 1218 Nafus Street be addressed.

Utilities Director Burk indicated that while the Council had directed the water be tested at 1218 Nafus they also recommended the City not offer to pay the cost of testing. In an effort to get accurate information without the expense of testing Mr. Burk obtained the most recent test of the well on file at the County. It noted the level of arsenic was acceptable at the time of well installation but had since been found to be over newly instituted maximum levels. He went on to note the sodium levels were within existing guidelines but the current levels exacerbated Mr. Kellogg's health condition making the water detrimental for him to drink. He said that should Council direct, he would agree to extend the 1.5" watermain directly to their home as an individual connection but it would be at the Kellogg's expense. He also indicated there were systems available to successfully treat the water to a point where it would be drinkable. He went on to say that he tried to present as many options as possible to resolve the situation.

CITIZEN COMMENTS AND QUESTIONS

Betty Coon, 1204 Palmer Avenue, asked that more salt be used on the street in front of her house. She also asked if the members representing the City in the DEQ burning discussion represented a cross section of our population.

Dorothy Meyers, 637 North Saginaw Street, asked the City to mail her a single utility bill for her multiple properties in an effort to save money rather than billing her separately and raising water rates.

Michael Cline, 411 North Chipman Street, thanked Mayor Pro-Tem Popovitch for bringing up the Nafus Street water issue during communications. He asked why the Kellogg's could not connect to the water service already established at the house they own across the street from their home.

Eddie Urban, 601 Glenwood Avenue, asked for clarification on Consent Item #1, Set Public Hearing for Industrial Development District Amendment.

Bozena Bienias, 1432 Mallard Circle, said she was surprised to hear about the number of people that are homeless this holiday season. She encouraged all to give generously to local assistance organizations.

City Manager Fivas indicated the MML had asked only for elected officials as representatives for the DEQ burning rules process. He again suggested that interested citizens contact him to receive any information related to the rules discussion. He also mentioned the Council would be receiving information on the proposed Washington Street streetscape project soon.

In response to Mr. Cline's inquiries Utilities Director Burk indicated that having two services off one line is not permissible by ordinance, saying the ordinance seeks to protect future buyers of the property. In response to Ms. Meyer's suggestion he indicated he too would like to see landlords receive one collective bill for all of their properties, but it would currently cost more to sort and combine those bills than it costs to mail the individual bills. He said he is hoping to see costs reduced by switching more people over to electronic and automatic payments.

Councilperson Eveleth gave Mr. Urban his memo on Consent Item #1.

There was a brief recess at 8:49 p.m. Session resumed at 8:58 p.m.

DISCUSSION ITEMS

DEPARTMENT OF PUBLIC SAFETY REORGANIZATION

There was a lengthy discussion regarding the benchmarking report presented by staff. Council indicated they were appreciative of the extensive information and options included in the report. Mayor Frederick invited each Council member to indicate what options they felt were the most viable and any requests for further information.

There were seven options outlined in the report:

- Creation of a cross-trained public safety department
- Regional cooperation to provide EMS
- Contract w/ another community to provide services
- Contract w/ private provider
- Use volunteers/paid on call staff
- Create County-wide operation of services
- Consider Director of Public Safety position and other administrative changes

Many Council members expressed a desire to explore regional cooperation, a sincere reluctance to make changes that may reduce service levels, a desire to find a short term solution that fits into the longer term plan, a desire to explore the creation of a larger service area to take advantage of economies of scale, contracting with a third party service for EMS, and cross-training of personnel.

There was question as to whether police services could be contracted out or combined w/ another entity. It was noted that little savings could be expected with such proposals because the only entity which we could lawfully combine with is the Sheriff's Department and our police officers make the equivalent of what sheriff's deputies make and staffing levels would not be able to be reduced without a sacrifice in service.

Council requested further information on average response times for our Public Safety Department and that of other communities. They also requested information on the success of cross-training in other communities, how the members of other communities rate the service level they are receiving, how well changes in public safety have been received in other communities, and to what level do we subsidize our current operations as compared to other communities.

They further requested staff to approach neighboring jurisdictions to see if they would be interested in talking about working together to save money.

Councilperson Martenis noted there was a citizen petition requesting the dissolution of the Public Safety Director position and asked that the Council act on that request.

Motion by Councilperson Martenis to dissolve the Director of Public Safety position.

Various members noted they felt the current exercise would answer the question and provide for an economically viable long-term solution. One new member indicated he would like to know the financial impact of such a decision before being asked to vote on the question. Councilperson Martenis withdrew his motion.

The Council further requested Chiefs Compeau and Bradley develop proposals for their ideal departments as Council considers what changes to make to the department in the future.

Staff hoped to have all requested information available after the January 4, 2010 meeting along with the sentiments of neighboring communities as to regional cooperation.

City Manager Fivas indicated he would have extra copies of the Public Safety Department report available in his office and it would be posted on the City's website as well.

NEXT MEETING

January 4, 2010

BOARDS AND COMMISSIONS OPENINGS

Zoning Board of Appeals – Alternate, term expires 06-30-2012
Historical Commission, term expires 12-31-2010

ADJOURNMENT

Motion by Councilperson Erfourth for adjournment at 10:34 p.m.

Motion supported by Councilperson Forster and concurred in by unanimous vote.

Benjamin R. Frederick, Mayor

Amy K. Kohagen, City Clerk