

ORDINANCE TO AMEND AND REPLACE SECTIONS 1:271, 1:272, 1:273, 1:274, 1:275, 1:277, AND 1:278 OF CHAPTER 12 (Financing Local Public Improvements) OF TITLE I, SECTIONS 1:281, 1:282, 1:284, 1:286, 1:292, 1:293, 1:295, 1:299, 1:300 AND 1:301 OF CHAPTER 13 (Special Assessments) OF TITLE I, SECTIONS 2:21, 2:22b, 2:22c AND 2:23 OF CHAPTER 27 (Water Capital Recovery Charges) OF TITLE II, AND SECTIONS 2:41.2f AND 2:42.4 OF CHAPTER 28 (Sanitary Sewer Capital Recovery Charges) OF TITLE II OF THE CODE OF THE CITY OF ANN ARBOR

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<p><b>1:271. - Definitions.</b></p> <p>Unless the context specifically indicates otherwise, the following terms and phrases used in this chapter shall have the meanings defined below.</p> <p>(1) "City sanitary sewer system" means the sanitary sewer mains, lift stations, equipment and other appurtenances owned, operated and maintained by the city for the collection, conveyance, <i>storage</i>, and treatment of sanitary sewage.</p> <p>(2) "City water supply system" shall have the meaning set forth in chapter 27.</p> <p>(3) "Interest" refers to the interest charged for special assessments and single lot assessments, which are calculated as follows:</p> <p>(a) For special assessments for a local public improvement, the rate of interest to be charged thereon shall not exceed 1% per annum above the interest rate for the most recent limited general obligation bond issued.</p> <p>(b) For sanitary sewer capital recovery charges or single lot assessments for sanitary sewer capital recovery charges, the rate of interest to be charged thereon shall not exceed 1% per annum above the interest rate for the most recent competitively sold and unsubsidized bond issued to finance similar sanitary sewer system improvements.</p> <p>(c) For water capital recovery charges or single lot assessments for water capital recovery charges, the rate of interest to be charged thereon shall not exceed 1% per annum above the interest rate for the most recent competitively sold and unsubsidized bond issued to finance similar water supply system improvements.</p> <p>(4) "Local public improvement" means any initial public improvement conferring a special benefit on any parcel or parcels of land distinct from the benefit from such improvement to the city at large, including, by way of illustration but not limitation, sidewalks, storm sewers, street grading, graveling and paving, curbs, gutters and</p>	<p><b>1:271. - Definitions.</b></p> <p>Unless the context specifically indicates otherwise, the meaning of terms used in this chapter shall be as follows:</p> <p>(1) "Local public improvement" shall mean any initial public improvement conferring a special benefit on any parcel or parcels of land distinct from the benefit from such improvement to the city at large, including, by way of illustration but not limitation, sidewalks, storm sewers, street grading, graveling and paving, curbs, gutters and the like. Except as explicitly provided in Chapters 12 and 13, "local public improvement" does not include water main improvements and sanitary sewer improvements.</p> <p>(2) "Local public improvement charge" shall mean the charge for a local public improvement that is levied against a parcel that benefits from the improvement either at the time of the improvement or at the time the parcel annexes to the city.</p> <p>(3) "Sidewalk" shall have the meaning set forth in Chapter 49 relative to sidewalks.</p> <p>(4) "Water main" shall have the meaning set forth in Chapter 27 relative to water service.</p> <p>(5) "Storm sewer" and "sanitary sewer" shall respectively have the meanings set forth in Chapter 28, relative to sewers and sewage disposal.</p> <p>(6) "Street" shall mean that part of any street, alley or public thoroughfare open to the public for vehicular or pedestrian traffic.</p> <p>(7) "Residential" and "residential unit" shall mean a 1- or 2-family residential structure. All other residential structures shall be considered commercial structures or commercial units.</p> <p>(8) "Water main improvement" shall mean any initial public water mains conferring a special benefit on any parcel or parcels of land distinct from the benefit from such improvement to the city at large.</p> <p>(9) "Water main improvement charge" shall mean the charge to a</p>

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<p>the like. "Local public improvement" does not include water supply system improvements and sanitary sewer system improvements.</p> <p>(5) "Local public improvement charge" means the charge for a local public improvement that is levied against a parcel that benefits from the improvement either at the time of the improvement or at the time the parcel annexes to the city.</p> <p>(6) "Sanitary sewer" shall have the meaning set forth in chapter 28.</p> <p>(7) "Sanitary sewer capital recovery charge" shall have the meaning set forth in chapter 28.</p> <p>(8) "Sidewalk" shall have the meaning set forth in chapter 49 relative to sidewalks.</p> <p>(9) "Storm sewer" shall have the meaning set forth in chapter 28.</p> <p>(10) "Street" shall mean that part of any street, alley or public thoroughfare open to the public for vehicular or pedestrian traffic.</p> <p>(11) "Water capital recovery charge" shall have the meaning set forth in chapter 27.</p>	<p>property or to a residential, commercial or other unit on a property upon connection to the public water system. The water main improvement charge shall be calculated as provided in section 1:274 to represent the allocated cost of the water main improvement that serves the parcel or unit, brought current to the date of connection.</p> <p>(10) "Water main improvement charge fixed charge" shall mean the charge per residential unit for water main improvements, set by City Council annually by resolution and calculated on the basis of the city's average actual cost per residential unit for the 10 most recent publicly constructed water main improvement projects preceding the date the fixed charge is set by City Council, with the costs of said projects adjusted as needed to be brought current, using the most recently published Handy-Whitman Index for "Distribution Plant Mains, Average All Types."</p> <p>(11) "Sanitary sewer improvement" shall mean any initial public sanitary sewers conferring a special benefit on any parcel or parcels of land distinct from the benefit from such improvement to the city at large.</p> <p>(12) "Sanitary sewer improvement charge" shall mean the charge to a property or to a residential, commercial or other unit on a property upon connection to the public sanitary sewer system. The sanitary sewer improvement charge shall be calculated as provided in section 1:274 to represent the allocated cost of the sanitary sewer improvement that serves the parcel or unit, brought current to the date of connection.</p> <p>(13) "Sanitary sewer improvement charge fixed charge" shall mean the charge per residential unit for sanitary sewer improvements, set by City Council annually by resolution and calculated on the basis of the city's average actual cost per residential unit for the 10 most recent publicly constructed sanitary sewer improvement projects preceding the date the fixed charge is set by City Council, with the costs of said projects adjusted as needed to be brought current, using the most recently published "Engineering News Record-Construction Cost Index."</p>

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<p><b>1:272. - Financing policy.</b></p> <p>(1) Except as otherwise provided by this Code or regulation of the city planning commission, in respect to approval of plats, and except as otherwise provided by this Code relative to water improvements and sanitary sewer improvements, it shall be the general policy of the city to finance construction by the city of local public improvements by special assessment or single lot assessment levied in accordance with Chapter 13, relative to special assessments or, if applicable, by local public improvement charges levied in accordance with section 1:279</p> <p>(2) Except as otherwise provided by this Code or regulation of the city planning commission, in respect to approval of plats, it shall be the general policy of the city to finance construction by the city of water system improvements by a water capital recovery charge calculated as provided in chapter 27 and paid at the time of connection to the city water supply system. For properties located within the city, the water capital recovery charge will be imposed and collected in full at the time of connection or by single lot assessment levied in accordance with chapter 13.</p> <p>(3) Except as otherwise provided by this Code or regulation of the city planning commission, in respect to approval of plats, it shall be the general policy of the city to finance construction by the city of sanitary sewer system improvements by a sanitary sewer capital recovery charge calculated as provided in chapter 28 and paid at the time of connection to the city sanitary sewer system. For properties located within the city, the sanitary sewer capital recovery charge will be imposed and collected in full at the time of connection or by single lot assessment levied in accordance with Chapter 13.</p>	<p><b>1:272. - Financing policy.</b></p> <p>(1) Except as otherwise provided by this Code or regulation of the city planning commission, in respect to approval of plats, and except as otherwise provided by this Code relative to water main improvements and sanitary sewer improvements, it shall be the general policy of the city to finance construction by the city of local public improvements by special assessment or single lot assessment levied in accordance with Chapter 13, relative to special assessments or, if applicable, by local public improvement charges levied in accordance with section 1:279</p> <p>(2) Except as otherwise provided by this Code or regulation of the city planning commission, in respect to approval of plats, it shall be the general policy of the city to finance construction by the city of water main improvements by a water main improvement charge paid at the time of connection to the public water system. For properties located within the city, the water main improvement charge will be imposed and collected by special assessment or single lot assessment levied in accordance with Chapter 13. Provided, that the city may choose to create a special assessment district or impose a single lot assessment and collect such assessment at the time of construction in advance of connection. If that is done, the water main improvement charge at the time of connection shall be adjusted as provided in subsection 1:278(6) or (9), except that the improvement charge for the water main improvements that is imposed at the time of a connection on or after July 1, 2013, shall be calculated as provided in subsections 1:277(3) or 1:278(6) for connections made during that period of time.</p> <p>(3) Except as otherwise provided by this Code or regulation of the city planning commission, in respect to approval of plats, it shall be the general policy of the city to finance construction by the city of sanitary sewer improvements by a sanitary sewer improvement charge paid at the time of connection to the public sanitary sewer system. For properties located within the city, the sanitary sewer improvement charge will be imposed and collected by special assessment or single lot assessment levied in accordance with Chapter 13. Provided, that the city may choose to create a special assessment district or impose a single lot assessment and collect such assessment at the time of construction in advance of connection. If that is done, the sanitary sewer improvement charge</p>

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	<p>at the time of connection shall be adjusted as provided in subsection 1:278(6) or (9), except that the improvement charge for the sanitary sewer improvements that is imposed at the time of a connection on or after July 1, 2013, shall be calculated as provided in subsections 1:277(3) or 1:278(6) for connections made during that period of time.</p>
<p><b>1:273. - Petitions.</b></p> <p>(1) The owners of property within the city may apply to the City Council, by petition, for the construction of any local public improvement, water supply system improvement or sanitary sewer system improvement, which petition shall be submitted on forms approved by the City Administrator, and furnished by the City Clerk. The filing of any such petition shall be advisory only, and the city shall not be required to construct any improvement petitioned for, and the city may proceed to construct any local public improvement, water supply system improvement or sanitary sewer system improvement without a petition therefor having been filed.</p> <p>(2) As provided in section 1:277, any property owner may undertake the construction of a local public improvement, water supply system improvement or sanitary sewer system improvement, provided it is done in accordance with the provisions of this Code and pursuant to the terms of a written agreement with the city.</p>	<p><b>1:273. - Petitions.</b></p> <p>(1) The owners of property within the city may apply to the City Council, by petition, for the construction of any local public improvement, water main improvement or sanitary sewer improvement, which petition shall be submitted on forms approved by the City Administrator, and furnished by the City Clerk. The filing of any such petition shall be advisory only, and the city shall not be required to construct any improvement petitioned for, and the city may proceed to construct any local public improvement, water main improvement or sanitary sewer improvement without a petition therefor having been filed.</p> <p>(2) As provided in section 1:277, any property owner may undertake the construction of a local public improvement, water main improvement or sanitary sewer improvement, provided it is done in accordance with the provisions of this Code and pursuant to the terms of a written agreement with the city.</p>

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**1:274. - Division of costs.**

- (1) In the interest of uniformity, it is declared to be the policy of the city to require the owner of property specially benefiting to defray the cost of local public improvements in the manner provided in this section. For purposes of this chapter such costs are referred to as "facilities costs."
- (2) The cost of such local public improvement shall be divided as follows:

	Type of Improvement	City's Share	Facilities Costs
1.	Curb and gutters	None	100%
2.	Sidewalks	None	100%
3.	Storm sewers	The sum by which the cost of construction of the improvement exceeds the facilities costs.	(1) The cost of all lateral storm sewers, manholes, and extras within the district whether laid within streets, intersections, or on private property. (2) The proportional cost of storm sewers needed to service the district whether such storm sewers are to be constructed as a part of the public improvement or are already in existence and whether or not such storm sewers are within or outside the district, as determined by the city council.
4.	Street grading and graveling	None	100%
5.	Street paving	None	100%
6.	Street lights	None	100%

- (3) In any case where the city council determines that the division of costs under subsection (2) does not accurately reflect the benefit to the city at large and the private benefit, such other division as shall be equitable may be adopted by the city council.

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**1:274. - Division of costs.**

In the interest of uniformity, it is declared to be the policy of the city to require the owner of property specially benefiting to defray the cost of local public improvements, water main improvements and sanitary sewer improvements in the manner herein provided. For purposes of this chapter such costs are referred to as "facilities costs." The cost of such local public improvement shall be divided as follows:

	Type of Improvement	City's Share	Facilities Costs
1.	Sidewalks	None	100%
2.	Water mains	The sum by which the cost of construction of the improvement exceeds the facilities costs.	Cost of water mains and appurtenances necessary to serve the district with the existing water distribution system plus cost of water mains within the district. For residential units for which construction is begun on or after January 21, 2004, this cost shall be determined by multiplying the Water Main Improvement Charge Fixed Charge by the number of residential units, as determined by the City Assessor.
3.	Sanitary sewers	The sum by which the cost of construction of the improvement exceeds the facilities costs.	Cost of sanitary sewer mains and appurtenances necessary to serve the district with the existing sanitary sewer distribution system plus cost of sanitary sewers and connections within the district. For residential units for which construction is begun on or after January 21, 2004, this cost shall be determined by multiplying the Sanitary Sewer Improvement Charge Fixed Charge by the number of residential units, as determined by the City Assessor.

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			(1) The cost of all lateral storm sewers, manholes, and extras within the district whether laid within streets, intersections, or on private property. (2) The proportional cost of storm sewers needed to service the district whether such storm sewers are to be constructed as a part of the public improvement or are already in existence and whether or not such storm sewers are within or outside the district, as determined by the City Council.
4.	Storm sewers	The sum by which the cost of construction of the improvement exceeds the facilities costs.	
5.	Street grading and graveling	None	100%
6.	Street paving	None	100%
7.	Curb and gutters	None	100%
8.	Street lights	None	100%
<p>Except when the facilities costs are calculated based on the number of residential units times either the Water Main Improvement Charge Fixed Charge or the Sanitary Sewer Improvement Charge Fixed Charge, in any case where the division of costs herein established does not, as determined by the City Council, accurately reflect the benefit to the city at large and the private benefit, such other division as shall be equitable may be adopted by the Council.</p> <p>The water main improvement charge fixed charge and the sanitary sewer improvement charge fixed charge will be set by City Council annually by resolution, calculated as provided for in section 1:271(10) and (13), respectively.</p>			

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**1:275. – Special assessment and single lot assessment for local public improvement charges; single lot assessments for water and sanitary sewer capital recovery charges; installment payments.**

- (1) It shall be the policy of the city to permit special assessments and single lot assessments for local public improvements, and single lot assessments for water capital recovery charges and sanitary sewer capital recovery charges to be paid in installments.
- (2) When the City Council shall confirm any special assessment or single lot assessment for any local public improvement, or any single lot assessment for any water capital recovery charge or sanitary sewer capital recovery charge, it shall specify whether such assessment shall be payable in installments and if so payable, the number of installments. Unless otherwise specified by the City Council in the resolution confirming an assessment, the number of installments in which each assessment shall be payable is as follows, based on the calculated amount at the time of the assessment of all the special assessments and single lot assessments to the property for local public improvements listed in section 1:274, for water capital recovery charges calculated under chapter 27, and for sanitary sewer capital recovery charges calculated under chapter 28:

Total amount of special and single lot assessment(s)	Number of years for installments
Up to 1,200	1 year
Greater than \$1,200 up to \$2,400	2 years
Greater than \$2,400 up to \$3,600	3 years
Greater than \$3,600 up to \$4,800	4 years
Greater than \$4,800 up to \$6,000	5 years
Greater than \$6,000 up to \$7,200	6 years
Greater than \$7,200 up to \$8,400	7 years
Greater than \$8,400 up to \$9,600	8 years
Greater than \$9,600 up to \$10,800	9 years
Greater than \$10,800 up to \$12,000	10 years

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**1:275. - Special assessment, single lot assessment, water main, sanitary sewer and local public improvement charge installments.**

- (1) It shall be the policy of the city to permit the payment of special assessments and single lot assessments for local public improvements, and water main and sanitary sewer improvement charges, to be paid in installments.
- (2) When the City Council shall confirm any special assessment or single lot assessment for any local public improvement, it shall specify whether such assessment shall be payable in installments and if so payable, the number of installments. Unless otherwise specified by the City Council in the resolution confirming any assessment, the number of installments in which each assessment shall be payable as follows, based on the calculated amount of all the special assessments, single lot assessments and water main and sanitary sewer improvement charges for the property at the time for improvements listed in section 1:274:

Amount of improvement charge	Number of years for installments
Up to 1,200	1 year
Greater than \$1,200 up to \$2,400	2 years
Greater than \$2,400 up to \$3,600	3 years
Greater than \$3,600 up to \$4,800	4 years
Greater than \$4,800 up to \$6,000	5 years
Greater than \$6,000 up to \$7,200	6 years
Greater than \$7,200 up to \$8,400	7 years
Greater than \$8,400 up to \$9,600	8 years
Greater than \$9,600 up to \$10,800	9 years
Greater than \$10,800 up to \$12,000	10 years
Greater than \$12,000 up to \$13,200	11 years
Greater than \$13,200 up to \$14,400	12 years
Greater than \$14,400 up to \$15,600	13 years

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Greater than \$12,000 up to \$13,200	11 years	Greater than \$15,600 up to \$16,800	14 years
Greater than \$13,200 up to \$14,400	12 years	Greater than \$16,800	15 years
Greater than \$14,400 up to \$15,600	13 years		
Greater than \$15,600 up to \$16,800	14 years		
Greater than \$16,800	15 years		
<p>(3) For local public improvements, city council shall determine the rate of interest to be charged thereon in accordance with section 1:271(3).</p> <p>(4) For water and sanitary sewer capital recovery charges, city council shall determine the rate of interest to be charged thereon in accordance with section 1:271(3). .</p> <p>(5) The local public improvement charges provided for in section 1:279 for properties newly annexed to the city are payable in installments as set forth in subsection (2), above, unless otherwise specified by the City Council by resolution.</p> <p>(6) The water and sanitary sewer capital recovery charges provided for in sections 2:22b and 2:22c of chapter 27 and section 2:42.4 of chapter 28 are payable in installments as set forth in subsection (2), above; provided, that the City Council may, by resolution, approve a different number of installments for water and/or sanitary sewer capital recovery charges generally, or for a particular property.</p> <p>(7) Unless payment in installments in accordance with this section 1:275 is approved, special assessments, single lot assessments, local public improvement charges, water capital recovery charges, and sanitary sewer capital recovery charges shall become payable at a time to be fixed by council resolution.</p> <p>(8) Each resolution that levies a special assessment, single lot assessment, local public improvement charge, water capital recovery charge, or sanitary sewer capital recovery charge shall be promptly recorded in the office of the Register of Deeds of Washtenaw County, Michigan.</p>		<p>(3) The local public improvement charges provided for in section 1:279, below, are payable in installments as set forth in subsection (2), above, unless otherwise specified by the City Council by resolution.</p> <p>(4) Water main and sanitary sewer improvement charges are payable in installments as set forth in subsection (2), above; provided, that City Council may, by resolution, approve a different number of installments for water main and sewer main improvement charges generally, or for the water main improvement charge and/or sanitary sewer improvement charge for a particular property.</p>	



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<p><b>1:277. - Construction by agreement.</b></p> <p>(1) The owner or owners of any parcel(s) of land within the city, may petition the public services area for the construction of any local public improvement, water improvement or sanitary sewer improvement to serve that land where the cost of such construction is to be privately financed. The public services area administrator is authorized to furnish such owner or owners of land with estimates of the cost of such construction or any part thereof, if performed by the city. Every such petition shall be in writing and shall indicate whether the petitioners desire to construct such facilities themselves or desire to have the city perform the work. Whenever any person or persons shall be authorized to install any local public improvement privately, he shall file a bond in an amount to be specified by the public services area administrator and in a form to be approved by the city attorney, conditioned on the prompt completion of the work and the observance of all provisions of this Code and regulations of the city pertaining thereto, and the payment of the expense to the city in connection therewith. If any bond shall be required by any other provisions of this Code pertaining to such construction, the bond herein required, if also conditioned as required by each such other provision of this Code, shall be in lieu of any such other bond or bonds.</p> <p>(2) When water improvements and sanitary sewer improvements are privately financed and constructed and dedicated to the city as provided in this section 1:277,</p> <p>A. The owner or owners must agree that upon completion of construction of the water main or sanitary sewer improvement, the improvement shall be dedicated to the city; and</p> <p>B. The city will accept the improvement on the condition that the city determines the improvement has been built in accordance with city standards to the satisfaction of the city.</p> <p>(3) The city will not pay the owner or owners, and the owner or owners are not entitled to, any interest on construction costs.</p> <p>(4) When the property of the owner or owners, or any other property, connects to water improvements or sanitary sewer improvements that are privately financed and constructed and dedicated to the city as provided in this section 1:277, the water capital recovery charges and sanitary sewer capital recovery charges will be calculated and imposed at the time of connection as provided in sections 2:22b and 2:22c of chapter 27 and section 2:42.4 of</p>	<p><b>1:277. - Construction by agreement.</b></p> <p>(1) The owner or owners of any parcel(s) of land within the city, may petition the public services area for the construction of any local public improvement, water main improvement or sanitary sewer improvement to serve that land where the cost of such construction is to be privately financed. For the purposes of Chapter 12, the land served and the development on the land served are referred to individually or collectively as the "benefited development." The public services area administrator is authorized to furnish such owner or owners of land with estimates of the cost of such construction or any part thereof, if performed by the city. Every such petition shall be in writing and shall indicate whether the petitioners desire to construct such facilities themselves or to contract with the city to perform such work. Whenever any person or persons shall be authorized to install any local public improvement privately, he shall file a bond in an amount to be specified by the public services area administrator and in a form to be approved by the city attorney, conditioned on the prompt completion of the work and the observance of all provisions of this Code and regulations of the city pertaining thereto, and the payment of the expense to the city in connection therewith. If any bond shall be required by any other provisions of this Code pertaining to such construction, the bond herein required, if also conditioned as required by each such other provision of this Code, shall be in lieu of any such other bond or bonds.</p> <p>(2) For water main improvements and sanitary sewer improvements that are privately financed and constructed and dedicated to the city as provided in this section 1:277, water main improvement charges and sanitary sewer improvement charges will be imposed on each property within the benefited development at the time of connection by the property to the public water system or public sanitary sewer system as set forth in this section 1:277</p> <p>A. The owner or owners must agree that upon completion of construction of the water main or sanitary sewer improvement, the improvement shall be dedicated to the city.</p> <p>B. The city will accept the improvement on the following conditions:</p>

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chapter 28.	<ol style="list-style-type: none"> <li>1. The city determines that the improvement has been built in accordance with city standards to the satisfaction of the city.</li> <li>2. The owner or owners provide the city with the documented costs for each improvement. For purposes of this paragraph, "costs" shall mean the costs of design, permitting and construction (e.g., materials, labor, inspection, testing, as-building). For purposes of the allocation of charges to the properties or units within the benefited development, these costs shall be the facilities costs that are divided and allocated in accordance with section 1:274,</li> <li>3. The owner or owners confirm with the city the number of properties or units within the benefited development that are intended to be served by each improvement or dedicated segment thereof.</li> </ol> <p>(3) Except as otherwise provided in subsections 1:277(6), below, at the time of connection of a residential unit to a water main improvement or a sanitary sewer improvement, the owner or owners, or the purchaser of the property, shall pay the city the applicable improvement charge fixed charges per connection for the water main improvements and the sanitary sewer improvements in effect at the time of connection for water and for sanitary sewer, respectively, as provided for in Chapter 12 of the Ann Arbor City Code, including the annual adjustments thereto. However, for a connection made on or after July 1, 2013, the charge at the time of connection shall be calculated as the lesser of the calculation provided in subsection 1:277(6), or the following calculation:</p> <p style="padding-left: 40px;">Improvement Charge = (N)(4)(Y)(CC)</p> <p style="padding-left: 40px;">For purposes of the above calculation, and as provided in section 1:277(5),</p> <p style="padding-left: 40px;">N = the year of connection minus the year the construction of the water or sanitary sewer line or main to which the property is connecting was begun</p> <p style="padding-left: 40px;">Y = 19 (the calculated mean quarterly water usage for a similar sized residential meter starting July 1, 2013)</p>

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CC = the amount of the capital repair cost included in the per unit commodity charge in effect for water or for sanitary sewer at the time of connection.

(4) That, except as otherwise provided in subsections 1:277(7), below, at the time of connection by a unit within the benefited development other than a residential unit to the water and sanitary sewer facilities, the owner or owners, or the purchaser of the unit shall pay the city the allocated improvement charges for the water main improvements and the sanitary sewer improvements at the time of connection for water and for sanitary sewer, respectively, as provided for in Chapter 12. For purposes of this section, each such charge is referred to as the "allocated improvement charge." The initial amount of the allocated improvement charge shall be established as the per-unit documented costs, based on an allocation among units within the benefited development. Thereafter, as provided for in subsection 1:278(3), the allocated improvement charges will be adjusted annually on or after January 1 of each year using the most recently published Handy-Whitman Index for "Distribution Plant Mains, Average All Types" for water main improvements and using the most recently published "Engineering News Record-Construction Cost Index" for sanitary sewer improvements. If the number or type of units to be served within the benefited development changes from the number and type used for the initial allocation, the allocated improvement charge will be recalculated accordingly and brought forward by the annual adjustments.

(5) For purposes of the calculations required in subsections 1:277(3), (6), (7) and (12), and 1:278(8), the following definitions apply:

A. "AMC<sub>c</sub>" means the non-residential applied meter calculation in the year of connection, based on the annual water use and return sewer flow as calculated in the city's published methodology for sanitary sewer mitigation for un-peaked flows and application of the city's rate schedule for the customer class of the unit less the system unit avoided cost.

B. "AMC<sub>r</sub>" means the residential applied meter calculation in the year of connection by size, calculated as follows:

$$AMC_r = 4 \text{ times (calculated bill for mean quarterly usage } Y - \text{ system unit avoided cost times } Y);$$

The residential applied meter calculation shall be applied

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only to connections for residential units.

- C. The  $AMC_r$  by meter size will be calculated for the calendar year and will be based on the fiscal year ending the prior June 30. The  $AMC_r$  by meter size will be determined by the city by January 10 of each year and made available upon request.
- D. " $IC_c$ " means the calculated improvement charge for a unit within a benefited development upon the date of connection by the unit during the first 10 years after the date of acceptance by the city of the dedication of the facilities in question (water or sanitary sewer), or after the date of acceptance by the city of the dedication of an identified portion of the facilities in question (water or sanitary sewer).
- E. " $IC_f$ " means the  $IC_i$  cost forwarded by the appropriate escalation method (Handy-Whitman Index for "Distribution Plant Mains, Average All Types" for water main improvements and "Engineering News Record-Construction Cost Index" for sanitary sewer improvements).
- F. " $IC_i$ " means the improvement charge established initially for a unit within the development at the time of construction; provided, that if the number of units to be served within the development changes from the initial calculation, the  $IC_i$  will be recalculated, based on the change in the number of units. For residential units, the  $IC_i$  is the applicable improvement charge fixed charge in effect on the date the water or sanitary sewer facilities to which connection is made were dedicated to and accepted by the city.
- G. " $IC_{oc}$ " means the calculated improvement charge for a non-residential unit that (i) is outside a benefited development upon the date of connection by the unit to water main or sanitary sewer system improvements built in accordance with section 1:277, or (ii) is not a served property but is connecting to water main or sanitary sewer system improvements constructed by the city as provided in subsection 1:278(8).
- H. "System unit avoided cost" for the water system means the cost per 100 cubic feet of processing and delivery of water; "system unit avoided cost" for the sanitary system means the cost per 100 cubic feet of collection and treatment of sewage.

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- I. "X" means the number of years of applied escalation and is calculated as year of connection minus year of construction minus 2;
  - J. "Y" means the calculated mean quarterly water usage for a similar sized residential meter. This mean usage is calculated based on the actual usages of all similarly sized residential meters in the systems. For the period starting July 1, 2013, Y shall equal 19.
  - K. "N" means the year of connection minus the year the construction of the water or sanitary sewer line or main to which the property is connecting was begun, which equals the number of years since the year the construction of a water main or sanitary sewer improvement was begun that a property has not been paying capital repair costs to the city because it was vacant or was not connected to the water or sanitary sewer system for other reasons. If the year the construction was begun cannot be identified precisely, the year the construction was begun shall be deemed the last year of the decade in which the construction began, using the table of decades in paragraph B.1 of subsection 1:278(6).
  - L. "CC" means the capital repair cost portion of the commodity charge for water or for sanitary sewer for a unit of water or sewage that is in effect at the time of connection. As used in this calculation, a "unit" is 100 cubic feet as provided in section 2:63(1) for water commodity charges and in section 2:64(1) for sanitary sewer commodity charges.
- (6) That for a period of 10 years, or for a period of time agreed to by the city by written agreement approved by city council, after the date of acceptance by the city of the dedication of the water facilities or the sanitary sewer facilities, or after the date of acceptance by the city of the dedication of an identified portion of the water or sanitary sewer facilities, in no event will the calculated improvement charge collected for a residential unit within a benefited development at the time of connection ( $IC_c$ ) exceed the lesser of either:
- A. the cost forwarded initial improvement charge ( $IC_i$ ), or
  - B. the initial improvement charge ( $IC_i$ ), plus the residential applied meter calculation (AMCr) multiplied by the number of years of applied escalation (X),

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from which the initial improvement charge (IC<sub>i</sub>) then is subtracted:

$$IC_c = \min(IC_f ; IC_i + X[AMCr]) - IC_i$$

Provided, that the calculated amount shall not be less than zero dollars.

- (7) That for a period of 10 years, or for a period of time agreed to by the city by written agreement approved by city council, after the date of acceptance by the city of the dedication of the water facilities or the sanitary sewer facilities, or after the date of acceptance by the city of the dedication of an identified portion of the water or sanitary sewer facilities, in no event will the calculated improvement charge collected at the time of connection (IC<sub>c</sub>) for a parcel within a benefited development other than a residential unit exceed the lesser of either:
  - A. the cost forwarded initial improvement charge (IC<sub>f</sub>), or
  - B. the initial improvement charge (IC<sub>i</sub>), plus the non-residential applied meter calculation (AMC<sub>c</sub>) multiplied by the number of years of applied escalation (X),

from which the initial improvement charge (IC<sub>i</sub>) then is subtracted:

$$IC_c = \min(IC_f ; IC_i + X[AMC_c]) - IC_i$$

Provided, that the calculated amount shall not be less than zero dollars.

- (8) The foregoing calculations, including the subtraction of the initial improvement charge (IC<sub>i</sub>), recognize and take into account the owner or owners' costs and contribution to construct and install the water main or sanitary sewer improvement that is dedicated to the city and the city will not pay the owner or owners any additional compensation or reimbursement for the water main or sanitary sewer improvement.
- (9) The city will not pay the owner or owners, and the owner or owners are not entitled to, any interest on construction costs.
- (10) The owner's or owners' construction costs will not be brought forward or otherwise altered according to any index.
- (11) The improvement charge calculations in subsections 1:277(6) and (7), above, will not apply to any property or unit that is connected to water or sanitary sewer more than 10 years after the dedication and acceptance by the city of the water main or sanitary sewer improvement or identified portion thereof to which the property or

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	<p>unit connects. At that time, the provisions in subsections 1:277(3) and (4), above, will govern the calculation of the applicable water main or sanitary sewer improvement charge.</p> <p>(12) For a non-residential unit outside the benefited development that connects to a water main or sanitary sewer improvement or identified portion thereof that was built as provided in this section 1:277, the improvement charge shall be calculated as the non-residential applied meter calculation (<math>AMC_c</math>) multiplied by the number of years of applied escalation (<math>X</math>):</p> $IC_{oc} = (X+2)(AMC_c)$ <p>(13) For a residential property outside a benefited development that connects on or after July 1, 2013, to a water main or sanitary sewer improvement or identified portion thereof that was built as provided in this section 1:277, including water main or sanitary sewer improvements constructed both before and after January 20, 2004, the improvement charge that is imposed at the time of connection shall be:</p> $\text{Improvement Charge} = (N)(4)(Y)(CC)$ <p>For purposes of this calculation, "N," "Y" and "CC" shall have the same meaning as in subsections 1:277(3) and (5), and the value of Y shall be 19.</p>

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<p><b>1:278. - Water and sanitary sewer capital recovery charges for properties newly connected to existing water or sanitary sewer mains; properties newly annexed.</b></p> <p>(1) Water capital recovery charges will be calculated and imposed at the time of connection to the city water supply system as set forth in sections 2:22b and 2:22c of chapter 27, and sanitary sewer capital recovery charges will be calculated and imposed at the time of connection to the city sanitary sewer system as set forth in and section 2:42.4 of chapter 28. "Connection" shall have the same meaning as in chapters 27 and 28, and shall include new connections, additional connections and any increases in size for existing connections.</p> <p>(2) If a parcel newly annexed to the city has previously connected to the city water supply system or sanitary sewer system, but neither the owner nor a prior owner has paid water main or sanitary sewer improvement charges, or water or sanitary sewer capital recovery charges in full, or entered into an agreement to pay water main or sanitary sewer improvement charges, or water or sanitary sewer capital recovery charges, then water and sanitary sewer capital charges shall be levied against the parcel in the same manner as for a city parcel that newly connects to the city water supply system and/or sanitary sewer system. The amount of the water and sanitary sewer capital recovery charges to be levied shall be calculated in accordance with sections 2:22b and 2:22c of chapter 27 and section 2:42.4 of chapter 28</p> <p>(3) If a parcel newly annexed to the city has previously connected to the city water supply system or sanitary sewer system and the owner or a prior owner of the parcel entered into an agreement with the city prior to annexation for payment of water main or sanitary sewer improvement charges, or water or sanitary sewer capital recovery charges, the balance still due under the agreement shall be levied as a single lot assessment against the parcel as of the date of annexation and payments shall be made or continue to be made in the same manner and amounts as provided for in the agreement for payments prior to annexation.</p> <p>(4) Water main and sanitary sewer improvement charges, and water and sanitary sewer capital recovery charges due under an agreement entered into prior to annexation, including any part thereof deferred as to payment, shall, from the date of connection constitute a lien upon the</p>	<p><b>1:278. - Water main and sanitary sewer improvement charges for properties newly connected to existing water or sanitary sewer mains; adjustment of water main and sanitary sewer improvement charges; properties newly annexed.</b></p> <p>(1) Reserved.</p> <p>(2) Except as provided in section 1:278(5), and except as provided in 1:277(3), 1:277(13) and 1:278(6) for connections made on or after July 1, 2013, the water main improvement charge and sanitary sewer improvement charge for a residential property will be the current fixed charge for such improvement as established pursuant to section 1:274, as adjusted in accordance with section 1:278(3), 1:278(4) or 1:277, and subject to offset if appropriate in accordance with section 1:278(6).</p> <p>(3) All water main improvement charges and sanitary sewer improvement charges shall be adjusted to be brought current. Except as otherwise provided for connections made on or after July 1, 2013, for water main improvement charges, including water main improvement charge fixed charges, the charges will be adjusted annually on or after January 1 of each year using the most recently published Handy-Whitman Index for "Distribution Plant Mains, Average All Types." Except as otherwise provided for connections made on or after July 1, 2013, for sanitary sewer improvement charges, including sanitary sewer improvement charge fixed charges, the charges will be adjusted annually on or after January 1 of each year using the most recently published "Engineering News Record-Construction Cost Index." The water main improvement charges, including water main improvement charge fixed charges, and the sanitary sewer improvement charges, including sanitary sewer improvement charge fixed charges, shall be subject to offset if appropriate in accordance with section 1:278(6).</p> <p>(4) Except as otherwise provided for connections made on or after July 1, 2013, the water main and sanitary sewer improvement charges for residential water main and residential sanitary sewer improvement projects for which construction was begun before January 21, 2004, and for which the connection is made on or after May 15, 2005 or for which connection was made prior to May 15, 2005 but said water main and sanitary sewer improvement charges were not paid prior to May 15, 2005, shall be converted to the</p>



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<p>respective lot or parcel of land so connected and until paid shall be a charge against the respective owner of the lot or parcel of land. The lien created by that agreement shall continue until the date of annexation. On the date of annexation, such water main and/or sanitary sewer improvement charges, or water and/or sanitary sewer capital recovery charges shall become single lot assessments against the property and the lien shall be of the same character and effect as the lien created for city taxes and shall include accrued interest and penalties. Upon annexation, collection of payments, including interest and penalties, shall be in accordance with sections 1:295(2) and 1:299(2) of chapter 13.</p>	<p>water main improvement charge fixed charges and to the sanitary sewer improvement charge fixed charges then in effect. Those fixed charges will be adjusted annually on or after January 1 of each year in the manner provided for in section 1:278(3), and shall be subject to offset if appropriate in accordance with section 1:278(6).</p> <p>(5) The water main and sanitary sewer improvement charges for residential water main and residential sanitary sewer improvement projects for which construction was begun before January 21, 2004, for which the connection was made prior to May 15, 2005, and for which the improvement charge either was paid prior to May 15, 2005, or was obligated by levy or agreement prior to May 15, 2005, to be paid in installments, are not subject to conversion.</p> <p>(6) Except as provided in subsections D and E for connections made on or after July 1, 2013, for a residential parcel connecting for the first time to an existing water main or sanitary sewer improvement, the water main improvement charge fixed charge or sanitary sewer improvement charge fixed charge shall be calculated and adjusted as set forth below. This calculation and adjustment shall be done for all residential properties in this situation, regardless of whether the property was vacant at the time the water main or sanitary sewer improvement was constructed and remained vacant thereafter, was created as a vacant parcel by the split of a parcel on which a structure that is connected to the public water system or public sewer system is located, or is connected for the first time for some other reason.</p> <p>A. The water main improvement charge fixed charge or the sanitary sewer improvement charge fixed charge in effect at the time of connection shall apply.</p> <p>B. If construction of the water main or sanitary sewer improvement to which connection is being made was begun before January 21, 2004, and the property was in the city as of May 15, 2005, the following offset calculation shall be done, except that if connection is made on or before December 31, 2007, the offset shall be 100%:</p> <ol style="list-style-type: none"> <li>1. The date the water main or sanitary sewer improvement was available for service shall be determined. For residential properties to which the water main</li> </ol>

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improvement charge fixed charge or sanitary sewer improvement charge fixed charge is applied, the date of construction shall be identified by calendar decade as follows:

1900—1909
1910—1919
1920—1929
1930—1939
1940—1949
1950—1959
1960—1969
1970—1979
1980—1989
1990—1999
2000—January 20, 2004

2. Using the most recently published Handy-Whitman Index for "Distribution Plant Mains, Average All Types" for the water main improvements, and using the "Engineering News Record-Construction Cost Index" for the sanitary sewer improvements, an offset amount against the current water main or sanitary sewer improvement charge fixed charge shall be calculated by taking the current charge to the year of construction of the water main or sanitary sewer improvement. For water main and sanitary sewer improvements for which the date of construction is identified by decade, the calculation will take the charge to the last year of the decade. The amount of the offset will then be deducted from the current water main or sanitary sewer improvement charge fixed charge and the net amount will be the water main or sanitary sewer improvement charge that is due at the time of connection.

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3. The amount of the offset for each of the decades of construction specified in paragraph 1:278(6)B.1 shall be calculated on an annual basis at the time of or immediately following the adjustment of amount of the fixed charges for residential properties as provided in subsection 1:278(3).

C. Except as otherwise provided for connections made on or after July 1, 2013, if construction of the water main or sanitary sewer improvement to which connection is being made was begun on or after January 21, 2004, and a water or sanitary sewer improvement charge, special assessment or single lot assessment was imposed on or assessed against the property (or against the unsplit property that was split to create the parcel) to finance the water main or sanitary sewer improvement, the following calculation shall be done:

1. The year in which the water main or sanitary sewer improvement was constructed shall be determined.

2. Using the most recently published Handy-Whitman Index for "Distribution Plant Mains, Average All Types" for the water main improvements, and using the "Engineering News Record-Construction Cost Index" for the sanitary sewer improvements, an offset amount against the current water main or sanitary sewer improvement charge shall be calculated by taking the current fixed charge to the year of construction of the water main or sanitary sewer improvement. The amount of the offset will then be deducted from the current water main or sanitary sewer improvement charge fixed charge and the net amount will be the water main or sanitary sewer improvement charge that is due at the time of connection.

3. The amount of the offset for each of year from 2004 forward shall be calculated on an annual basis at the time of or immediately following the adjustment of amount of the improvement charge fixed charges for residential properties as provided in section 1:278(3).

D. For a residential unit connecting for the first time to an existing water main or sanitary sewer improvement on or after July 1,

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2013, when the water main or sanitary sewer improvement to which the connection is being made was constructed before January 21, 2004, the water main improvement charge or sanitary sewer improvement charge shall be calculated and adjusted as set forth below. This calculation and adjustment shall be used for all residential units in this situation, regardless of whether the property was vacant at the time the water main or sanitary sewer improvement was constructed and remained vacant thereafter, was created as a vacant parcel by the split of either a vacant parcel or a parcel on which a structure that is connected to the public water system or public sewer system is located, or the residential unit is connecting for the first time for some other reason.

1. For a residential unit on a parcel that has not previously paid an improvement charge or special assessment for the construction of the water main or sanitary sewer improvement to which the connection is being made, the calculation of the improvement charge shall be:

$$\text{Improvement Charge} = (N)(4)(Y)(CC) + \text{original improvement charge or special assessment}$$

For purposes of this calculation, "N," "Y" and "CC" shall have the same meaning as in subsections 1:277(3) and (5), and the value of Y shall be 19.

If the year prior to January 21, 2004, that construction was begun cannot be identified precisely, the year construction was begun shall be deemed the last year of the decade in which the construction was begun, using the table of decades in subsection 1:278(6)B.1.

2. For a residential unit on a parcel that previously paid a water main or sanitary sewer improvement charge or special assessment for the cost of construction of the water main or sanitary sewer improvement to which the connection is being made, the calculation of the improvement charge shall be:

$$\text{Improvement Charge} = (N)(4)(Y)(CC)$$

For purposes of this calculation, "N," "Y" and "CC" shall have the same meaning as in subsections 1:277(3) and

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(5), and the value of Y shall be 19.

3. For a residential parcel that was created by the split of a parcel, the calculation of the improvement charge shall be the same as in paragraph 1 if the parent parcel from which the connecting parcel has split has not previously paid a special assessment or improvement charge for the construction of the water main or sanitary sewer improvement to which the connection is being made.
4. For a residential parcel that was created by the split of a parcel, the calculation of the improvement charge shall be the same as in paragraph 2 if the parent parcel from which the connecting parcel has split previously paid a special assessment or improvement charge for the construction of the water main or sanitary sewer improvement to which the connection is being made.

E. For a residential unit connecting for the first time to an existing water main or sanitary sewer improvement on or after July 1, 2013, and the construction of the water main or sanitary sewer improvement to which the connection is being made was begun on or after January 21, 2004, the water main improvement charge shall be the Water Main Improvement Charge Fixed Charge in effect on the date of connection and the sanitary sewer improvement charge shall be the Sanitary Sewer Main Improvement Charge Fixed Charge in effect on the date of connection. The Fixed Charge Improvement Charge shall be used for all residential units in this situation, regardless of whether the property connects to the water main or sanitary sewer improvement at the time of construction, was vacant at the time the water main or sanitary sewer improvement was constructed and remained vacant thereafter until the date of connection, was created as a vacant parcel by the split of either a vacant parcel or a parcel on which a structure that is connected to the public water system or public sewer system is located, or is connecting for the first time for some other reason.

(7) For water main and sanitary sewer improvement projects constructed by the city that serve 1 or more non-residential properties, the city will identify at the time of construction all the properties served by the improvement, whether or not the

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	<p>properties connect at the time of connection. For the purposes of Chapter 12, the properties served and the developments on the properties served are referred to as a "served property" or as "served properties." The water main improvement charge and sanitary sewer improvement charge for each served property will be charged to the property at the time of connection in accordance with chapters 12, 13 and 27, provided that the city may choose to collect the water main improvement charge or sanitary sewer improvement charge at the time of construction of the improvement from a served property that is vacant or otherwise not connecting to the improvement by including the property in a special assessment district or by imposing the charge on the property by means of a single lot assessment at the time of construction of the improvement. The water main improvement charge or sanitary sewer improvement charge for a served property at the time of connection will be as established pursuant to section 1:274 and adjusted in accordance with section 1:278(3), and shall be subject to offset if appropriate as provided in section 1:278(9).</p> <p>(8) For a non-residential parcel connecting for the first time to an existing water main or sanitary sewer improvement, the water main improvement charge or sanitary sewer improvement charge shall be calculated and adjusted as set forth below. This calculation and adjustment shall be done for all non-residential properties in this situation, regardless of whether the property was vacant at the time the water main or sanitary sewer improvement was constructed and remained vacant thereafter, was created as a vacant parcel by the split of a parcel on which a structure that is connected to the public water system or public sewer system is located, or is connected for the first time for some other reason.</p> <p>A. If the property is a served property for the improvement to which connection is made and did not pay a water main improvement charge or sanitary sewer improvement charge as part of a special assessment district or as a single lot assessment at the time the improvement was constructed, the water main improvement charge or sanitary sewer improvement charge at the time of connection will be as established pursuant to section 1:274 and adjusted in accordance with section 1:278(3).</p> <p>B. If the property is a served property for the improvement to</p>

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which connection is made and previously paid a water main improvement charge or sanitary sewer improvement charge as part of a special assessment district or as a single lot assessment at the time the improvement was constructed, the water main improvement charge or sanitary sewer improvement charge at the time of connection will be as established pursuant to section 1:274 and adjusted in accordance with section 1:278(3), and shall be subject to offset if appropriate as provided in section 1:278(9).

- C. If the property is not a served property for an improvement constructed by the city and to which connection is made, and is not a property within a benefited development for which the improvement was constructed and to which connection is made, the connection charge shall be calculated as the non-residential applied meter calculation (AMC<sub>c</sub>) multiplied by the number of years of applied escalation (X):

$$IC_{oc} = (X+2)(AMC_c)$$

- (9) If a property is a served property for the improvement to which connection is made and previously paid a water main improvement charge or sanitary sewer improvement charge as part of a special assessment district or as a single lot assessment at the time the improvement was constructed, the water main improvement charge or sanitary sewer improvement charge at the time of connection will be subject to an offset, calculated and applied in accordance with this subsection. Using the most recently published Handy-Whitman Index for "Distribution Plant Mains, Average All Types" for the water main improvements, and using the "Engineering News Record-Construction Cost Index" for the sanitary sewer improvements, an offset amount against the current water main or sanitary sewer improvement charge shall be calculated by taking the current charge to the year of construction of the water main or sanitary sewer improvement. The amount of the offset will then be deducted from the current water main or sanitary sewer improvement charge and the net amount will be the water main or sanitary sewer improvement charge that is due at the time of connection.

- (10) If a parcel newly annexed to the city has previously connected to the city's water system or sanitary sewer system, has not paid the applicable water main or sanitary sewer improvement charges, and

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the owner or a prior owner has not entered into an agreement to pay the water main or sanitary sewer improvement charges, the amount of the water main and sanitary sewer improvement charges shall be levied against the parcel. If the water main improvement charge or if the sanitary sewer improvement charge for the parcel is not a water main improvement charge fixed charge or sanitary sewer improvement charge fixed charge, respectively, city council shall adopt a resolution determining the water main and sanitary sewer improvement charges to be levied. The resolution levying the improvement charges shall be promptly recorded in the office of the Register of Deeds of Washtenaw County, Michigan. The improvement charges shall become payable at a time to be fixed by council resolution, and the city council may, by resolution, permit the payment of said charges to be made in installments over a -period as provided in section 1:275, or other period. City council shall determine the rate of interest to be charged thereon, not to exceed 1% per annum above the average interest rate of any bonds issued to finance the improvements. If bonds were not issued to finance the improvements, the interest to be charged thereon shall not exceed 9% per annum. If the owner or a prior owner of the parcel entered into an agreement with the city prior to annexation for payment of the water main or sanitary sewer improvement charges, the balance still due under the agreement shall become a single lot assessment against the parcel as of the date of annexation and payments shall be made or continue to be made as provided for in the agreement until the date of annexation.

- (11) Said water main and sanitary sewer improvement charges, including any part thereof deferred as to payment, shall, from the date of the improvement charge resolution approved by city council, constitute a lien upon the respective lots or parcels of land annexed and until paid shall be a charge against the respective owners of the several lots and parcels of land. Such lien shall be of the same character and effect as the lien created for city taxes and shall include accrued interest and penalties. When any such improvement charge, or an installment thereof when divided into installments, shall have been due and unpaid for more than 30 days on the first day of September in any year, the same shall be reported by the treasurer to the assessor, and such amounts, together with a charge of 5% of the amount of the improvement charge or installment thereof, and unpaid interest shall be added to



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	<p>the December tax roll. If the owner of the lot or parcel entered into an agreement with the city prior to annexation for payment of the water main or sanitary sewer improvement charges, the lien created by that agreement shall continue until the date of annexation. On the date of annexation, the water main and sanitary sewer improvement charges shall become single lot assessments against the property and the lien shall be of the same character and effect as the lien created for city taxes and shall include accrued interest and penalties.</p>

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<p><b>1:281. - Definitions.</b></p> <p>Unless the context specifically indicates otherwise, the following terms and phrases used in this chapter shall have the meanings defined below.</p> <ol style="list-style-type: none"> <li>(1) "Cost" when referring to the cost of any local public improvement, shall include the cost of surveys, plans, land, rights-of-way, spreading of rolls, notices, advertising, financing and construction and all other costs incident to the making of the improvement, the special assessments therefor and the financing thereof.</li> <li>(2) "Local public improvement" means a local public improvement, as defined in section 2:171 of chapter 12, any part of the cost of which is to be assessed against one or more lots or parcels of land to be especially benefitted thereby, in proportion to the benefit to be derived therefrom.</li> <li>(4) "Sanitary sewer capital recovery charge" means a sanitary sewer capital recovery charge, as defined in section 2:171 of chapter 12.</li> <li>(5) "Tax parcel" means any property, real or personal, subject to property tax or special assessment under the laws of the State of Michigan or the City Code for the City of Ann Arbor.</li> <li>(6) "Water capital recovery charge" means a water capital recovery charge, as defined in section 2:171 of chapter 12.</li> </ol>	<p><b>1:281. - Definitions.</b></p> <p>The following terms as used in this chapter shall have the meanings defined below.</p> <ol style="list-style-type: none"> <li>(1) The term "improvement" shall mean any public improvement, including water main and sanitary sewer improvements, any part of the cost of which is to be assessed against 1 or more lots or parcels of land to be especially benefitted thereby, in proportion to the benefit to be derived therefrom.</li> <li>(2) The term "cost" when referring to the cost on any improvement, shall include the cost of surveys, plans, land, rights-of-way, spreading of rolls, notices, advertising, financing and construction and all other costs incident to the making of the improvement, the special assessments therefor and the financing thereof.</li> <li>(3) The term "tax parcel" shall mean any property, real or personal, subject to property tax or special assessment under the laws of the State of Michigan or the City Code for the City of Ann Arbor.</li> <li>(4) The terms "residential" and "residential unit" shall mean a 1- or 2-family residential structure. All other residential structures shall be considered commercial structures or commercial units.</li> </ol>
<p><b>1:282. - Council authority.</b></p> <p>The City Council shall have power to determine that the whole or any part of the cost of any local public improvement shall be defrayed by special assessments or single lot assessments upon the property or properties especially benefitted, but the determination shall not be made until the preliminary proceedings provided for in section 1:284 shall have been completed.</p>	<p><b>1:282. - Council authority.</b></p> <p>The Council shall have power to determine that the whole or any part of the cost of any improvement shall be defrayed by special assessments upon the property especially benefitted, but the determination shall not be made until the preliminary proceedings provided for in section 1:284 shall have been completed.</p>

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<p><b>1:284. - Preliminary proceedings.</b></p> <p>(1) Before the City Council determines to make any local public improvement for which any part of the cost is to be defrayed by special assessment or single lot assessment, the City Administrator shall prepare, or cause to be prepared, plans and specifications therefor and an estimate of the cost thereof, and file the same with the City Clerk together with the Administrator's recommendation as to what proportion of the cost should be paid by special assessment and what part, if any, should be a general obligation of the city, as provided in section 1:274 of chapter 12, the number of installments in which assessment may be paid and the land that should be included in the special assessment district.</p> <p>(2) After a report required by subsection (1) is filed with the Clerk, it shall be presented to the City Council and the report shall be available for public examination.</p> <p>(3) Whenever any land which should be included in the special assessment district for a local public improvement may not be assessed because it is owned by a public agency, a written agreement shall be reached whenever possible providing for the payment of the agency's benefiting share of the cost of the local public improvement. This agreement, or advice that agreement cannot be reached, shall be presented to the Council prior to the adoption by Council of the resolution provided for by section 1:286 of this chapter.</p>	<p><b>1:284. - Preliminary proceedings.</b></p> <p>(1) Except for improvements that are water main or sanitary sewer improvements that serve only residential properties, before the City Council will determine to make any improvement any part of the cost of which is to be defrayed by special assessment, the City Administrator shall prepare, or cause to be prepared, plans and specifications therefor and an estimate of the cost thereof, and file the same with the City Clerk together with the Administrator's recommendation as to what proportion of the cost should be paid by special assessment and what part, if any, should be a general obligation of the city, the number of installments in which assessment may be paid and the land which should be included in the special assessment district. For water main and sanitary sewer improvements, the share of the cost to be paid by special assessment by residential properties in the district shall be calculated in accordance with sections 1:271, 1:274 and 1:278 of Chapter 12. After the report is filed with the Clerk, it shall be presented to the Council and the report shall be available for public examination. Whenever any land which should be included in the special assessment district may not be assessed because it is owned by a public agency, a written agreement shall be reached whenever possible providing for the payment of the agency's benefiting share of the cost of the improvement. This agreement, or advice that agreement cannot be reached, shall be presented to the Council prior to the adoption by Council of the resolution provided for by section 1:286 of this chapter.</p> <p>(2) For water main and sanitary sewer improvements that serve only residential properties, before the City Council will determine to make an improvement that will be defrayed entirely by special assessment, the City Administrator shall prepare, or cause to be prepared, plans and specifications therefor and file the same with the City Clerk together with the Administrator's recommendation that the entire cost should be paid by special assessment, the number of installments in which assessment may be paid and the land which should be included in the special assessment district. The share of the cost to be paid by special assessment by the residential properties in the district shall be calculated in accordance with sections 1:271, 1:274 and 1:278 of Chapter 12. After the report is filed with the Clerk, it shall be presented to the City Council and the report shall be available for public examination.</p>

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<p><b>1:286. - Council determination.</b></p> <p>(1) For local public improvements, after the report is presented to the City Council, the City Council may, by resolution, approve the plans and specifications and estimate the cost, determine to make the improvement and to defray the whole or any part of the cost of the improvement by special assessment upon the property especially benefited in proportion to the benefits to the property. By resolution the City Council shall approve the plans and specifications for the improvement; determine the estimated cost of it; determine what proportion of the cost shall be paid by special assessment or single lot assessment upon the property or properties especially benefited and what part, if any, shall be a general obligation of the city; designate the district or land and tax parcels upon which special assessments shall be levied; and direct the Assessor to prepare a special assessment roll in accordance with the City Council's determination.</p> <p>(2) For water supply system and sanitary sewer system improvements, the share of the cost to be paid by the properties connecting to the system shall be the water and sanitary sewer capital recovery charges calculated as provided in chapters 27 and 28 and paid by those properties at the time of connection or by single lot assessment levied at the time of connection.</p>	<p><b>1:286. - Council determination.</b></p> <p>(1) Except for improvements that are water main or sanitary sewer improvements that serve only residential properties, after the report is presented to the City Council, the City Council may, by resolution, approve the plans and specifications and estimate the cost, determine to make the improvement and to defray the whole or any part of the cost of the improvement by special assessment upon the property especially benefited in proportion to the benefits to the property. By resolution the City Council shall approve the plans and specifications for the improvement; determine the estimated cost of it; determine what proportion of the cost shall be paid by special assessment upon the property especially benefited and what part, if any, shall be a general obligation of the city; designate the district or land and tax parcels upon which special assessments shall be levied; and direct the Assessor to prepare a special assessment roll in accordance with the City Council's determination. For water main and sanitary sewer improvements, the share of the cost to be paid by special assessment by the residential properties in the district shall be calculated in accordance with sections 1:271, 1:274 and 1:278 of Chapter 12.</p> <p>(2) For improvements that are water main or sanitary sewer improvements that serve only residential properties, after the report is presented to the City Council, the City Council may, by resolution, approve the plans and specifications, determine to make the improvement and to defray the cost of the improvement by special assessment upon the property especially benefited in proportion to the benefits to the property. By resolution the City Council shall approve the plans and specifications for the improvement; determine that the cost shall be paid by special assessment upon the property especially benefited; designate the district or land and tax parcels upon which special assessments shall be levied; and direct the Assessor to prepare a special assessment roll in accordance with the City Council's determination. For water main and sanitary sewer improvements, the share of the cost to be paid by special assessment by the residential properties in the district shall be calculated in accordance with sections 1:271, 1:274 and 1:278 of Chapter 12.</p>

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<p><b>1:292. - Assessing single lots or tax parcels.</b></p> <p>(1) <u>Single lot assessments for expenses other than local public improvements, water supply system improvements and sanitary sewer system improvements</u> Except for local public improvements, water supply system improvements and sanitary sewer system improvements, as defined in section 1:271 of chapter 12, when any expense shall have been incurred by the city upon or in respect to any single lot or tax parcel, which expense is chargeable against it and the owner of it under the provisions of the Charter, this Code, or law of the State of Michigan, an account of the labor, material or services for which the expense was incurred, verified by the Chief Financial Officer, with a description of the lot or tax parcel and the name of the owner, if known, shall be reported to the City Treasurer who shall immediately charge and bill the owner, if known. Notwithstanding the foregoing exception for local public improvements, assessments for the construction, rebuilding and/or repair of sidewalks shall be levied under the provisions of this subsection when done by the city under the provisions of Chapter 49. The bill shall be sent by first class mail to the owner of the lot or tax parcel with respect to which the expense was incurred by the city.</p> <p>The City Chief Financial Officer or designee shall from time to time report to the City Council the unpaid charges for services furnished to or expense incurred for any premises which on the last day of the month preceding the date of the report to the City Council have remained unpaid for a period of not less than 120 days. At the meeting the City Council shall adopt, in accordance with Section 10.4 of the Charter, a special assessment resolution covering each lot or tax parcel for which charges have not been paid in full. As many lot or tax parcels may be included in a single resolution as shall be convenient. Immediately after the adoption of the resolution, the City Clerk shall give notice of the lot or tax parcel owners. The notice shall be sent by first class mail to the last known addresses of the persons as shown on the assessment roll of the city, or by publication. The notice shall state the basis of the assessment, the amount, and shall give a reasonable time, not less than 30 days, within which payment shall be made to the Treasurer. The notice shall include notice that failure to pay within the time set will result in a penalty of 10% of the amounts due. In all cases where payment is not made within the time set, the fact</p>	<p><b>1:292. - Assessing single lots or tax parcels.</b></p> <p>(1) Single lot assessments for expenses other than local public improvements, water main improvements and sanitary sewer improvements. Except for local public improvements, water main improvements and sanitary sewer improvements, as defined in section 1:271 of Chapter 12, when any expense shall have been incurred by the city upon or in respect to any single lot or tax parcel, which expense is chargeable against it and the owner of it under the provisions of the Charter, this Code, or law of the State of Michigan, an account of the labor, material or services for which the expense was incurred, verified by the Chief Financial Officer, with a description of the lot or tax parcel and the name of the owner, if known, shall be reported to the City Treasurer who shall immediately charge and bill the owner, if known. Notwithstanding the foregoing exception for local public improvements, assessments for the construction, rebuilding and/or repair of sidewalks shall be levied under the provisions of this subsection when done by the city under the provisions of Chapter 49. The bill shall be sent by first class mail to the owner of the lot or tax parcel with respect to which the expense was incurred by the city.</p> <p>The City Chief Financial Officer or designee shall from time to time report to the City Council the unpaid charges for services furnished to or expense incurred for any premises which on the last day of the month preceding the date of the report to the City Council have remained unpaid for a period of not less than 120 days. At the meeting the City Council shall adopt, in accordance with Section 10.4 of the Charter, a special assessment resolution covering each lot or tax parcel for which charges have not been paid in full. As many lot or tax parcels may be included in a single resolution as shall be convenient. Immediately after the adoption of the resolution, the City Clerk shall give notice of the lot or tax parcel owners. The notice shall be sent by first class mail to the last known addresses of the persons as shown on the assessment roll of the city, or by publication. The notice shall state the basis of the assessment, the amount, and shall give a reasonable time, not less than 30 days, within which payment shall be made to the Treasurer. The notice shall include notice that failure to pay within the time set will result in a penalty of 10% of the amounts due. In all cases where payment is not made within the time set, the fact shall be reported by the City Treasurer to the City Assessor, who</p>

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<p>shall be reported by the City Treasurer to the City Assessor, who shall charge the amounts, together with a penalty of 10% of the amounts, against the persons or lots or tax parcels chargeable on the next tax roll. Charges so assessed shall be collected in the same manner as general city taxes.</p> <p>(2) <u>Single lot assessments for local public improvements.</u> When any expense shall have been incurred by the city for a local public improvement, as defined in section 1:271 of chapter 12, for which the expense benefits and is chargeable against a single lot or tax parcel under the provisions of the Charter, this Code, or law of the State of Michigan and is not of that class required to be pro-rated among several lots and tax parcels in a special assessment district, the City Treasurer shall immediately charge and bill the owner of the lot or tax parcel with respect to which the expense was incurred by the city. For local public improvements, the cost to be assessed against the single lot or tax parcel shall be calculated in accordance with sections 1:271 and 1:274 of chapter 12. The bill shall include notice to the owner that if the bill has not been paid in full when due, that the City Treasurer may seek City Council approval to place a special assessment upon the lot or tax parcel for the charges.</p> <p>The City Council shall adopt, in accordance with Section 10.1 of the Charter, a special assessment resolution covering each lot or tax parcel for which charges have not been paid in full. Provided that assessments for the construction, rebuilding and/or repair of sidewalks when done by the city under the provisions of Chapter 49, relative to sidewalks, shall be levied under the provisions of subsection (1) of this section. Upon adoption of the resolution, the City Council may authorize installment payments as provided in section 1:275 of chapter 12, and if installment payments are authorized, shall determine the number of installments, and shall determine the rate of interest to be charged in accordance with section 1:271(3).</p> <p>(3) <u>Single lot assessments for connection to the city water supply system or sanitary sewer system.</u> When a property connects to, adds a connection to, or increases the size of its connection to the city water supply system or sanitary sewer system, the lot or tax parcel on which the connecting property is located shall pay the water or sanitary sewer capital recovery charge that has been</p>	<p>shall charge the amounts, together with a penalty of 10% of the amounts, against the persons or lots or tax parcels chargeable on the next tax roll. Charges so assessed shall be collected in the same manner as general city taxes.</p> <p>(2) Single lot assessments for local public improvements, water main improvements and sanitary sewer improvements. When any expense shall have been incurred by the city for a local public improvement, water main improvement or sanitary sewer improvement, as defined in section 1:271 of Chapter 12, for which the expense benefits and is chargeable against a single lot or tax parcel under the provisions of the charter, this Code, or law of the State of Michigan and is not of that class required to be pro-rated among several lots and tax parcels in a special assessment district, the City Treasurer shall immediately charge and bill the owner of the lot or tax parcel with respect to which the expense was incurred by the city. The bill shall include notice to the owner that if the bill has not been paid in full when due, that the City Treasurer may seek City Council approval to place a special assessment upon the lot or tax parcel for the charges. The City Council shall adopt, in accordance with Section 10.1 of the Charter, a special assessment resolution covering each lot or tax parcel for which charges have not been paid in full. Provided that assessments for the construction, rebuilding and/or repair of sidewalks when done by the city under the provisions of Chapter 49, relative to sidewalks, shall be levied under the provisions of subsection (1) of this section.</p> <p>For local public improvements, water main improvements and sanitary sewer improvements, the cost to be assessed against the single lot or tax parcel shall be calculated in accordance with sections 1:271, 1:274 and 1:278 of Chapter 12.</p> <p>Upon adoption of the resolution, the City Council may authorize installment payments, and if installment payments are authorized, shall determine the number of installments and the rate of interest to be charged, but not to exceed 1% per annum above the average interest rate of any bonds issued to finance the local public improvements.</p>

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<p>calculated as provided in chapters 27 and 28. The City Council shall adopt a single lot assessment resolution for the lot or tax parcel of each connecting property for which water and/or sanitary sewer capital recovery charges have not been paid in full. Upon adoption of the resolution, the City Council may authorize installment payments as provided in section 1:275 of chapter 12, and if installment payments are authorized, shall determine the number of installments, and shall determine the rate of interest to be charged in accordance with section 1:271(3).</p>	
<p><b>1:293. - General procedure inapplicable.</b></p> <p>The single lot assessment resolution provided for in section 1:292(1) shall be treated as a special assessment roll and the adoption of the resolution shall correspond to the confirmation of a special assessment roll. The provisions of the preceding sections of this chapter with reference to special assessments generally and the proceedings necessary before making the improvements, shall not apply to assessments contemplated under section 1:292(1). Section 1:294 and the following sections of this chapter shall, however, be applicable to single lot or tax parcel assessments, except that the additional 5% penalty on unpaid installments as provided for in sections 1:297 and 1:299 shall not apply to assessments authorized under section 1:292(1).</p>	<p><b>1:293. - General procedure inapplicable.</b></p> <p>The special assessment resolution provided for in section 1:292 shall be treated as a special assessment roll and the adoption of the resolution shall correspond to the confirmation of a special assessment roll. The provisions of the preceding sections of this chapter with reference to special assessments generally and the proceedings necessary before making the improvements, shall not apply to assessments contemplated under section 1:292. Section 1:294 and the following sections of this chapter shall, however, be applicable to single lot or tax parcel assessments, except that the additional 5% penalty on unpaid installments as provided for in sections 1:297 and 1:299 shall not apply to assessments authorized under section 1:292.</p>

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<p><b>1:295. - Due date.</b></p> <p>(1) Upon confirmation of any special assessment roll for a local public improvement, the Council shall determine the number of installments in which the assessments may be paid as provided in section 1:275 of chapter 12, the rate of interest to be charged in accordance with section 1:271(3), and the date when the interest shall commence. The due date of the first installment shall be the first July 1 after the Council resolution. The Treasurer shall give notice of the due date of the single lot assessment or of the first installment if divided into installments and shall collect that payment or first installment in the manner prescribed for taxes in Chapter 9 of the Charter. To collect the payment or first installment for a special assessment for a local public improvement, the City Treasurer shall have the same rights and remedies as provided in the Charter for the collection of taxes. If the special assessment is divided into more than one installment, the due dates and process for collection of the subsequent installments shall be as provided in section 1:299(1).</p> <p>(2) Water capital recovery charges and sanitary sewer capital recovery charges shall be due when a property connects to the water system or sanitary sewer system. At the time of connection, the amount of the water and sanitary sewer capital recovery charges shall be the amounts then in effect under chapters 27 and 28, respectively, and any amounts not paid at the time of connection shall be levied as a single lot assessment on the lot or tax parcel on which the connecting property is located. For such single lot assessments, the Council shall determine the number of installments in which the assessments may be paid as provided in section 1:275 of chapter 12, the rate of interest to be charged in accordance with section 1:271(3), and the date when the interest shall commence. The due date of the first installment shall be the first July 1 after the Council's resolution. The Treasurer shall give notice of the due date of the single lot assessment or of the first installment if divided into installments and shall collect that payment or first installment in the manner prescribed for taxes in Chapter 9 of the Charter. To collect the payment or first installment for a single lot assessment for water and for sanitary sewer capital recovery charges, the City Treasurer shall have the same rights and remedies as provided in the Charter for the collection of taxes. If the single lot assessment is divided into more than one installment, the due dates and process for collection of the subsequent installments shall be as provided in section 1:299(2).</p>	<p><b>1:295. - Due date.</b></p> <p>(1) Upon confirmation of any special assessment roll, the Council shall determine the number of installments in which the assessments may be paid, the due date of the first installment and the due dates of the subsequent installments of the special assessment roll if the special assessment roll is divided into more than 1 installment, the rate of interest to be charged on the installments, but not to exceed 1% per annum above the average interest rate of any bonds issued to finance the improvements or charges, and the date when the interest shall commence.</p> <p>(2) For water main and sanitary sewer improvements, the special assessment for a property within the benefit district shall be deferred until the date when the property connects to the water system or sanitary sewer system and, at the time of connection, the amount of the special assessment shall be brought current in accordance with section 1:278(3).</p>



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<p><b>1:299. - Second and subsequent installments.</b></p> <p>(1) For special assessments for local public improvements, the second and subsequent installments shall be due and payable on the first day of July annually in each succeeding year following the year in which the first installment was due and payable, and shall be collected by the Treasurer from the original special assessment roll. The Treasurer shall give notice of the due date of each installment and shall collect each installment in the manner prescribed for taxes in Chapter 9 of the Charter. In addition to the principal amount of each annual installment, there shall be added to it and collected from the special assessment roll by the Treasurer as a part of each installment, the interest due on the entire unpaid balance of the special assessment computed to July first of the year in which the installment is due; provided, that when any annual installment shall have been prepaid, then there shall be due and payable on July first of such year only the interest upon the unpaid balance of the special assessment. In collecting each installment from the special assessment roll, the City Treasurer shall have the same rights and remedies as provided in the Charter for the collection of taxes.</p> <p>(2) For single lot assessments for water capital recovery charges and sanitary sewer capital recovery charges, second and subsequent installments shall be due and payable on the first day of July annually in each succeeding year following the year in which the first installment was due and payable, and shall be collected by the Treasurer from the original single lot assessment. The Treasurer shall give notice of the due date of each installment, and shall collect each installment, in the manner prescribed for taxes in Chapter 9 of the Charter. In addition to the principal amount of each annual installment, there shall be added to it and collected for the single lot assessment by the Treasurer as a part of each installment, the interest due on the entire unpaid balance of the single lot assessment computed to July first of the year in which the installment is due; provided, that when any annual installment shall have been prepaid, then there shall be due and payable on July first of such year only the interest upon the unpaid balance of the single lot assessment. In collecting each installment for the single lot assessment, the City Treasurer shall have the same rights and remedies as provided in the Charter for the collection of taxes.</p>	<p><b>1:299. - Second and subsequent installments.</b></p> <p>Second and subsequent installments shall be due and payable on the first day of June annually in each succeeding year following the year in which the first installment was due and payable, and shall be collected by the Treasurer from the original special assessment roll. The Treasurer shall give notice of the due date of each installment in the manner prescribed for the notification of taxes due by Section 9.20 of the Charter. In addition to the principal amount of each annual installment, there shall be added to it and collected from the special assessment roll by the Treasurer as a part of each installment, the interest due on the entire unpaid balance of the special assessment computed to June first of the year in which the installment is due; provided, that when any annual installment shall have been prepaid, then there shall be due and payable on June first of such year, only the interest upon the unpaid balance of the special assessment. In collecting each installment from the special assessment roll, the City Treasurer shall have the same rights and remedies as provided in the Charter for the collection of taxes. If any annual installment, the interest on it or the amount due annually as interest on the unpaid balance of the assessment due in any year as herein provided, shall not be paid before the first day of September of the year when due, the amounts due shall be reported by the Treasurer to the Assessor and such amounts, together with a charge of 5% of the amount of the installment and unpaid interest, shall be added to the December tax roll.</p>

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<p><b>1:300. - Determining actual cost.</b></p> <p>Upon completion of the local public improvement and payment of its cost, the City Administrator shall certify the total cost of the improvement to the City Council, together with the amount of the original roll for the local public improvement.</p>	<p><b>1:300. - Determining actual cost.</b></p> <p>Upon completion of the improvement and payment of its cost, the City Administrator shall certify the total cost of the improvement to the Council, together with the amount of the original roll for the improvement.</p>
<p><b>1:301. - Deficiency assessments and refunds.</b></p> <p>Should the assessments in any special assessment roll, including the city's share, prove insufficient for any reason to pay the cost of the local public improvement for which they were made, then the City Council may make additional assessments against the city and the several lots and tax parcels within the special assessment district; and shall assess to each lot or tax parcel the relative portion of the whole sum to be levied against all the lands in the special assessment district as the benefit to each lot or tax parcel bears to the total benefits to all lots or tax parcels in the district; or the City Council may determine that the deficiency shall be paid by the city but the total amount assessed against any lot or tax parcel shall not exceed the value of the benefits received from the improvement. In the event the deficiency assessment to be levied against the benefiting lot or tax parcel as described above exceeds the original estimated cost by 15% or more, City Council shall order a public hearing with the notice of the hearing to be as described in section 1:289 of the chapter. The hearing shall be conducted upon the spread of the deficiency as determined by the final cost certified to City Council by the City Administrator as provided in section 1:300 of this chapter. Should the assessments levied prove to be more than necessary to defray the cost of the local public improvement, then the City Council may, by resolution, order the excess to be applied to the next unpaid installment of the special assessment against each lot or parcel. Any excess as to any lot or tax parcel of land which cannot be applied as described may be refunded in cash to the persons who are the record owners of the properties on the date of the passage of the resolution ordering the refund.</p>	<p><b>1:301. - Deficiency assessments and refunds.</b></p> <p>Should the assessments in any special assessment roll, including the amount assessed to the city at large, prove insufficient for any reason to pay the cost of the improvement for which they were made, then the City Council may make additional assessments against the city and the several lots and tax parcels within the special assessment district; and shall assess to each lot or tax parcel the relative portion of the whole sum to be levied against all the lands in the special assessment district as the benefit to each lot or tax parcel bears to the total benefits to all lots or tax parcels in the district; or the City Council may determine that the deficiency shall be paid by the city but the total amount assessed against any lot or tax parcel shall not exceed the value of the benefits received from the improvement. For water main and sanitary sewer improvements, the amount of the assessment on residential properties, whether or not the improvement also serves non-residential properties, as calculated in accordance with sections 1:271 and 1:274, shall not be changed. In the event the deficiency assessment to be levied against the benefiting lot or tax parcel as described above exceeds the original estimated cost by 15% or more, City Council shall order a public hearing with the notice of the hearing to be as described in section 1:289 of the chapter. The hearing shall be conducted upon the spread of the deficiency as determined by the final cost certified to City Council by the City Administrator as provided in section 1:300 of this chapter. Should the assessments levied prove to be more than necessary to defray the cost of the improvement, then the City Council may, by resolution, order the excess to be applied to the next unpaid installment of the special assessment against each lot or parcel. Any excess as to any lot or tax parcel of land which cannot be applied as described may be refunded in cash to the persons who are the record owners of the properties on the date of the passage of the resolution ordering the refund.</p>

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<p><b>2:21. - Definitions.</b></p> <p>Unless the context specifically indicates otherwise, the following terms and phrases used in this chapter shall have the meanings defined below.</p> <ol style="list-style-type: none"> <li>(1) "Administrator" means the Public Services Area Administrator or his or her designee, or other person designated by the City Administrator.</li> <li>(2) "City water supply system" means the water mains, pumps, equipment and other appurtenances owned, operated and maintained by the city for the transmission, treatment, storage, distribution and supply of potable water for domestic, commercial and fire protection uses.</li> <li>(3) "Cross connection" means a connection or arrangement of piping or appurtenances through which water of questionable quality, wastes, or other contaminants can enter the public water supply system.</li> <li>(4) "Curb stop" means the city owned valve at the end of the water service stub and outside of the premises, located within the right-of-way or easement area.</li> <li>(5) "Detector check meter" means a meter that is installed on a fire service line to indicate flow. Such meter will not measure how much flow there was, but will measure only that there has been flow. The only authorized flow through a fire service line is in the event of a test, provided notice to the city has been provided in advance, or in the event of a fire.</li> <li>(6) "Fire service line" shall mean a pipe connecting a property or premises to the water service stub at the curb stop solely for providing fire protection.</li> <li>(7) "Meter charge" means a fee that covers the costs of installation of a water meter with meter horn (if applicable).</li> <li>(8) "Newly connected to the city water system" means any connection of property to the city water supply system, including a fire service line connection, and includes both the installation of additional or increased sized meters and the connection of additional or larger fire service lines.</li> <li>(9) "Potable water" means water provided directly from the city water</li> </ol>	<p><b>2:21. - Definitions.</b></p> <p>Unless the context specifically indicates otherwise the meaning of terms used in this chapter shall be as follows:</p> <ol style="list-style-type: none"> <li>(1) The term "city water supply system" shall mean the water mains, pumps, equipment and other appurtenances owned, operated and maintained by the city for the transmission, treatment, storage, distribution and supply of potable water for domestic, commercial and fire protection uses.</li> <li>(2) The term "water main" shall mean that part of the city water supply system located within easements or streets and designed to supply 1 or more water service lines.</li> <li>(3) The term "water service stub" shall mean that part of the city water supply system connecting the water main to a point between the curb line and property line, or between the water main and the easement line, ending at and including the curb box and curb stop.</li> <li>(4) The term "water service line" shall mean a pipe connecting a property or premises to the water service stub at the curb stop.</li> <li>(5) The term "curb stop" shall mean the city owned valve at the end of the water service stub and outside of the premises, located within the right-of-way or easement area.</li> <li>(6) The term "services area" shall mean the public services area of the city.</li> <li>(7) For purposes of Chapter 27 the term "administrator" shall mean the Public Services Area Administrator or his or her designee, or other person designated by the City Administrator.</li> <li>(8) The term "newly connected to the city water system" shall refer to any connection of property to the city water system, including a fire service line connection, and the installation of additional or increased sized meters to the full extent of such addition or increase over facilities previously installed.</li> <li>(9) The term "cross connection" shall mean a connection or arrangement of piping or appurtenances through which water of questionable quality, wastes, or other contaminants can</li> </ol>

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<p>supply system where the premise(s) is connected to the city water supply system.</p> <p>(10) "Services area" means the public services area of the city.</p> <p>(11) "Size of the connection" means the diameter of the water service stub.</p> <p>(12) "Theft of water" means any use of water that is not authorized.</p> <p>(13) "Water capital recovery charge" means a fee that represents the allocated capital cost of capacity of the city water supply system that serves the connection of a parcel or unit to the city water supply system and is calculated as provided in sections 2:22b and 2:22c of this chapter.</p> <p>(14) "Water main" means that part of the city water supply system located within easements or streets and designed to supply 1 or more water service lines.</p> <p>(15) "Water service line" means a pipe connecting a property or premises to the water service stub at the curb stop.</p> <p>(16) "Water service stub" means that part of the city water supply system connecting the water main to a point between the curb line and property line, or between the water main and the easement line, ending at and including the curb box and curb stop.</p>	<p>enter the public water supply system.</p> <p>(10) The term "potable water" shall mean water provided directly from the city water supply system where the premise(s) is connected to the city water supply system.</p> <p>(11) The term "connection charge" means a fee that covers the costs of additions and improvements necessary for and resulting from connection to the city water supply system and includes the costs associated with construction and financing of the city water supply system.</p> <p>(12) The term "meter charge" means a fee that covers the costs of installation of a water meter with meter horn (if applicable).</p> <p>(13) The term "fire service line" shall mean a pipe connecting a property or premises to the water service stub at the curb stop solely for providing fire protection.</p> <p>(14) The term "detector check meter" shall mean a meter that is installed on a fire service line to indicate flow. Such meter will not measure how much flow there was, but will measure only that there has been flow. The only authorized flow through a fire service line is in the event of a test, provided notice to the city has been provided in advance, or in the event of a fire.</p> <p>(15) The term "theft of water" shall mean any use of water that is not authorized.</p> <p>(16) The term "size of the connection" is the diameter of the water service stub.</p>

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**2:22b. - Water capital recovery charges, meter charges, and service stub installation charges due at time of connection.**

A property newly connecting directly or indirectly to the city water supply system is required to pay water capital recovery charges, as calculated in this section. Premises on which a larger connection or additional connection(s) are installed shall be considered newly connected to the city water supply system. Water capital recovery charges not paid in full at the time of connection shall be levied against the property as a single lot assessment in accordance with Chapters 12, 13, and 27.

In addition to the charges provided in chapter 27, every premises newly connected to the city water supply system, including premises on which a larger connection or additional connection(s) are installed, also are required to pay sanitary sewer charges pursuant to chapter 28, provided that sewer charges will not be required when no sanitary sewer is available for the premises to connect to.

- (1) Water capital recovery charges consist of a charge for capacity generating asset capital costs, which varies by meter size, and a charge for non-capacity generating asset capital costs, which is uniform. Water capital recovery charges are calculated as follows:

Meter Size	Capacity Generating Assets Charge	Non-Capacity Generating Assets Charge	Total Water Capital Recovery Charge
<i>Displacement Meters</i>			
0.62	\$5,054	\$220	\$5,274
0.75	\$5,054	\$220	\$5,274
1.00	\$8,424	\$220	\$8,644
1.50	\$16,848	\$220	\$17,068
2.00	\$26,957	\$220	\$27,177
<i>Magmeters</i>			
0.75	\$9,266	\$220	\$9,486
1.50	\$22,745	\$220	\$22,965
2.00	\$37,065	\$220	\$37,285
2.50	\$84,239	\$220	\$84,459
3.00	\$126,359	\$220	\$126,579
4.00	\$210,598	\$220	\$210,818
6.00	\$471,740	\$220	\$471,960
8.00	\$614,947	\$220	\$615,167
10.00	\$985,599	\$220	\$985,819
12.00	\$1,482,611	\$220	\$1,482,831

**CHAPTER 27 EXISTING**

**2:22b. - Connection charges; installation costs; improvement charges.**

In order to ensure that the cost of the city water supply system may be shared fairly among all users, and that each user bears a fair share of the amortized cost of the existing improvements not financed by special assessment or improvement charge, a water connection charge shall be levied against every premises newly connected to the city water supply system based on the size of the connection to the system. Premises on which a larger connection or additional connection(s) are installed shall be considered newly connected to the city water supply system.

In addition to the charges herein provided, for every premises newly connected to the city water supply system, including premises on which a larger connection or additional connection(s) are installed, a sewer permit charge also shall be levied against the premises pursuant to section 2:42.4 of Chapter 28 of Title II of this Code, provided that a sewer permit charge will not be required when there is no sanitary sewer available for the premises to connect to. For fire services, the sewer permit charge shall be reduced by 2 standard sizes from the size of the fire service.

Whenever water tap(s) serving an existing premises are enlarged and/or consolidated, credit of the previous connection charge(s) shall be granted and the difference shall be levied. Whenever water meters serving existing premises are enlarged, and the customer originally paid a water permit charged based on meter size, the original meter size will be converted to tap size (see chart) and the difference between the equivalent tap size and the actual tap size shall be levied.

Original Meter Size	Equivalent Tap Size
5/8"	1"
3/4"	1 1/4"
1"	1 1/2"
1 1/2"	2"
2"	3"
3"	4"
4"	5"
6"	7"

**CHAPTER 27 PROPOSED**

(2) The capacity generating assets charge component is reduced by a credit of 51% for the following categories of properties:

- A. A parcel that is part of a development project for which the owner or developer constructed and dedicated to the city pursuant to an agreement with the city, an addition or enhancement to that portion of the city water supply system that serves the development and to which the parcel connects.
- B. A parcel that was part of the city before 2004, or whose parent parcel was part of the city before 2004, and connects to an existing water main built before 2004.
- C. A parcel that connects to a water main first constructed by the city after December 31, 2014. Parcels in this category also will pay an extension charge component as provided in subsection (3).

Water capital recovery charges with the credit applied to reduce the capacity generating assets charge component are calculated as follows:

Meter Size	Capacity Generating Assets Charge with Credit	Non-Capacity Generating Assets Charge	Total Water Capital Recovery Charge with Credit
<i>Displacement Meters</i>			
0.62	\$2,476	\$220	\$2,696
0.75	\$2,476	\$220	\$2,696
1.00	\$4,128	\$220	\$4,348
1.50	\$8,255	\$220	\$8,475
2.00	\$13,208	\$220	\$13,428
<i>Magneters</i>			
0.75	\$4,540	\$220	\$4,760
1.50	\$11,145	\$220	\$11,365
2.00	\$18,162	\$220	\$18,382
2.50	\$41,277	\$220	\$41,497
3.00	\$61,915	\$220	\$62,135
4.00	\$103,193	\$220	\$103,413
6.00	\$231,152	\$220	\$231,372
8.00	\$301,323	\$220	\$301,543
10.00	\$482,943	\$220	\$483,163
12.00	\$726,479	\$220	\$726,699

**CHAPTER 27 EXISTING**

Whenever water taps are reduced in size or removed, no refund for the water connection charge shall be granted.

The said water connection charge must be paid prior to the installation of the water meter for such premises and shall be in accordance with the schedule for such water connection charges provided hereinafter.

**SCHEDULE OF CONNECTION CHARGES**

Tap Size	Water Connection Charge
1"	\$2,620.00
1¼"	\$4,094.00
1½"	\$5,895.00
2"	10,480.00
3"	\$23,580.00
4"	\$41,920.00
5"	\$65,500.00
6"	\$94,320.00
7"	\$128,380.00
8"	\$167,680.00
10"	\$262,000.00
12"	\$377,280.00

Water meters shall be 1 standard size smaller than the water service lines metered or shall be sized according to the rules and regulations of the public services area to serve the premises adequately. Premises newly connected to the city water system shall pay an appropriate meter charge based on meter size. Meter charges shall be fixed by the public services area in accordance with regulations approved by the City Council and shall be not less than the cost of materials, equipment, labor and overhead attributable to such installation. Existing meters improperly sized according to the above regulations shall be replaced by the public services area and the appropriated meter charge shall be levied. Existing fire service lines that do not have a detector check meter installed shall have a detector check meter installed by and remain the property of the city.

**CHAPTER 27 PROPOSED**

When a property increases the size of an existing connection to the city water supply system or replaces an existing connection with a larger connection, defined by the meter sizes, the new water capital recovery charge shall be the difference between the charge shown above for the existing meter size and the charge shown above for the new meter size. When a property decreases the size of an existing connection to the city water supply system or replaces an existing connection with a smaller connection, defined by the meter sizes, the city will not refund any prior improvement or connection charge.

- (3) The water capital recovery charge for a property newly connecting directly or indirectly to a water main first constructed by the city after December 31, 2014, shall also include an extension charge component, which will be uniform. Water capital recovery charges with the extension charge component and with the credit applied to reduce the capacity generating assets charge component are calculated as follows:, as follows:

Meter Size	Capacity Generating Assets Charge with Credit	Non-Capacity Generating Assets Charge	Extension Charge	Total Water Capital Recovery Charge with Credit
<i>Displacement Meters</i>				
0.62	\$2,476	\$220	\$18,275	\$20,971
0.75	\$2,476	\$220	\$18,275	\$20,971
1.00	\$4,128	\$220	\$18,275	\$22,623
1.50	\$8,255	\$220	\$18,275	\$26,750
2.00	\$13,208	\$220	\$18,275	\$31,703
<i>Magmeters</i>				
0.75	\$4,540	\$220	\$18,275	\$23,035
1.50	\$11,145	\$220	\$18,275	\$29,640
2.00	\$18,162	\$220	\$18,275	\$36,657
2.50	\$41,277	\$220	\$18,275	\$59,772
3.00	\$61,915	\$220	\$18,275	\$80,410
4.00	\$103,193	\$220	\$18,275	\$121,688
6.00	\$231,152	\$220	\$18,275	\$249,647
8.00	\$301,323	\$220	\$18,275	\$319,818
10.00	\$482,943	\$220	\$18,275	\$501,438
12.00	\$726,479	\$220	\$18,275	\$744,974

**CHAPTER 27 EXISTING**

The installation costs that are required to be paid for installation of water service stubs shall be fixed by the public services area in accordance with regulations approved by the City Council and shall be not less than the cost of materials, equipment, labor and overhead attributable to such installation.

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<p>(4) If a property connects to the city water supply system on or after January 1, 2016, and before April 1, 2016, and has paid or been assessed water main improvement charges and connection charges at the time of that connection, the property owner shall be entitled to a refund of the difference between the sum of those charges and the applicable water capital recovery charge calculated in accordance with this section if it is less. If the property owner is paying installments, the installment payments will be adjusted accordingly.</p> <p>(5) Water meters shall be sized according to the rules and regulations of the public services area to serve the premises adequately. Premises newly connected to the city water system shall pay an appropriate meter charge based on meter size. Meter charges shall be fixed by the public services area in accordance with regulations approved by the City Council and shall be not less than the cost of materials, equipment, labor and overhead attributable to such installation. Existing meters improperly sized according to the above regulations shall be replaced by the public services area and the appropriated meter charge shall be levied. Existing fire service lines that do not have a detector check meter installed shall have a detector check meter installed by and remain the property of the city.</p> <p>(6) The installation costs that are required to be paid for installation of water service stubs shall be fixed by the public services area in accordance with regulations approved by the City Council and shall be not less than the cost of materials, equipment, labor and overhead attributable to such installation.</p> <p>(7) Collection of payments, including interest and penalties, shall be in accordance with sections 1:295(2) and 1:299(2) of chapter 13.</p>	



**CHAPTER 27 PROPOSED****2:22c. – Water capital recovery charges for fire service.**

The water capital recovery charge for a fire service connection is calculated as 35.5% of the amounts calculated and provided for in section 2:22b(1) through (3), based on the meter size equivalent to the fire line pipe size. Sewer charges are not required for a fire service connection to the city water supply system.

- (1) Water capital recovery charges for a fire service connection are calculated as follows:

Fire Line Tap Size (inches)	35.5% of Capacity Generating Assets Charge	35.5% of Non-Capacity Generating Assets Charge	Total Fire Service Water Capital Recovery Charge
0.75	\$3,289	\$78	\$3,367
1.00	\$3,289	\$78	\$3,367
1.50	\$8,074	\$78	\$8,152
2.00	\$13,158	\$78	\$13,236
2.50	\$29,905	\$78	\$29,983
3.00	\$44,857	\$78	\$44,935
4.00	\$74,762	\$78	\$74,840
6.00	\$167,468	\$78	\$167,546
8.00	\$218,306	\$78	\$218,384
10.00	\$349,888	\$78	\$349,966
12.00	\$526,327	\$78	\$526,405

- (2) For a fire service connection the capacity generating assets charge component is reduced by a credit of 51% before the 35.5% calculation is applied for the following category of properties:

- A. A parcel that is part of a development project for which the owner or developer constructed and dedicated to the city pursuant to an agreement with the city, an addition or enhancement to that portion of the city water supply system that serves the development and to which the parcel connects.

Water capital recovery charges for fire connections with the credit applied to reduce the capacity generating assets charge component and with the 35.5% calculation applied are calculated as follows:

**CHAPTER 27 EXISTING****2:22c. - Improvement charges.**

At the time a premises first connects directly or indirectly to the city water system, an improvement charge shall be levied against the premises in accordance with Chapters 12 and 13.

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Fire Line Tap Size (inches)	35.5% of Capacity Generating Assets Charge with Credit	35.5% of Non-Capacity Generating Assets Charge	Total Fire Service Water Capital Recovery Charge with Credit
0.75	\$1,612	\$78	\$1,690
1.00	\$1,612	\$78	\$1,690
1.50	\$3,956	\$78	\$4,034
2.00	\$6,447	\$78	\$6,525
2.50	\$14,653	\$78	\$14,731
3.00	\$21,980	\$78	\$22,058
4.00	\$36,633	\$78	\$36,711
6.00	\$82,059	\$78	\$82,137
8.00	\$106,970	\$78	\$107,048
10.00	\$171,445	\$78	\$171,523
12.00	\$257,900	\$78	\$257,978

When a property increases the size of an existing fire service connection to the city water supply system or replaces an existing fire service connection with a larger fire service connection, defined by the tap sizes, the water capital recovery charge for that larger or new fire service connection shall be the difference between the charge shown above for the existing fire line tap size and the charge shown above for the new fire line tap size. Credit will be provided only when a fire service connection increases the size of or replaces an existing fire service connection. Credit will not be provided when a fire service connection replaces a water connection that is not a fire service connection. When a property decreases the size of an existing fire service connection to the city water supply system or replaces an existing fire service connection with a smaller fire service connection, defined by the tap sizes, the city will not refund any prior improvement or connection charge.

- (3) The water capital recovery charge for a fire service connection for a property newly connecting directly or indirectly to a water main first constructed by the city after December 31, 2014, shall also include 35.5% of the extension charge component provided for in section 2:22b(3), which will be uniform. Water capital recovery charges for fire service with the extension charge component and

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with the 35.5% calculation applied are calculated as follows:

Fire Line Tap Size (inches)	35.5% of Capacity Generating Assets Charge with Credit	35.5% of Non-Capacity Generating Assets Charge	35.5% of Extension Charge	Total Fire Service Water Capital Recovery Charge
0.75	\$1,612	\$78	\$6,488	\$8,178
1.00	\$1,612	\$78	\$6,488	\$8,178
1.50	\$3,956	\$78	\$6,488	\$10,522
2.00	\$6,447	\$78	\$6,488	\$13,013
2.50	\$14,653	\$78	\$6,488	\$21,219
3.00	\$21,980	\$78	\$6,488	\$28,546
4.00	\$36,633	\$78	\$6,488	\$43,199
6.00	\$82,059	\$78	\$6,488	\$88,625
8.00	\$106,970	\$78	\$6,488	\$113,536
10.00	\$171,445	\$78	\$6,488	\$178,011
12.00	\$257,900	\$78	\$6,488	\$264,466

- (4) If a property connects to the city water supply system for fire service on or after January 1, 2016, and before April 1, 2016, and has paid or been assessed water main improvement charges and connection charges at the time of that connection, the property owner shall be entitled to a refund of the difference between the sum of those charges and the applicable water capital recovery charge calculated in accordance with this section if it is less. If the property owner is paying installments, the installment payments will be adjusted accordingly.
- (5) Collection of payments, including interest and penalties, shall be in accordance with sections 1:295(2) and 1:299(2) of chapter 13.

**CHAPTER 27 EXISTING**

CHAPTER 27 PROPOSED	CHAPTER 27 EXISTING
<p><b>2:23. - Outside water service.</b></p> <p>The city shall not furnish water to consumers outside city limits, except pursuant to agreements approved by the City Council. Such agreements may hereafter be approved in the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) Where necessary to obtain a right-of-way agreement and where the customer agrees as a condition of receiving city water to annex when possible;</li> <li>(2) For governmental entities;</li> <li>(3) To eliminate a health hazard on an existing developed premises that cannot be annexed to the city because it is not currently contiguous to the city and where the customer agrees as a condition of receiving city water to annex when possible; or</li> <li>(4) Where the customer agrees, as a condition of receiving city water, (a) to petition for and complete annexation when possible, or (b) to petition for and complete annexation by a specified date, to pursue annexation with due diligence and, starting on the date specified in the agreement for when the petition for annexation must be completed, to pay the city a sum equal to the city tax rate as applied to the existing taxable value of the premises, due and payable on July 31 of each year until real property tax payments are due by addition to the city tax roll.</li> </ol> <p>Such agreements shall require:</p> <ol style="list-style-type: none"> <li>(1) Water rates of not less than 2 times the rate for service in the city, provided that for governmental institutions the rate may be less than 2 times the city rate, but more than the city rate;</li> <li>(2) Payment by the customer of the water capital recovery charges specified in sections 2:22b and 2:22c of this chapter; and</li> <li>(3) That the water capital recovery charges in subsections (2) above shall be due and payable at the time of connection to the water system, that said capital recovery charges shall constitute a lien upon the property serviced, shall be a charge against the owner or owners of the serviced property until paid, and that said lien and charges shall include accrued interest and penalties.</li> <li>(4) City Council may permit the payment of said water capital recovery charges in installments as provided in section 1:275 of chapter 12.</li> </ol>	<p><b>2:23. - Outside water service.</b></p> <p>The city shall not furnish water to consumers outside city limits, except pursuant to agreements approved by the City Council. Such agreements may hereafter be approved in the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) Where necessary to obtain a right-of-way agreement and where the customer agrees as a condition of receiving city water to annex when possible;</li> <li>(2) For non-profit or governmental entities;</li> <li>(3) To eliminate a health hazard on an existing developed premises that cannot be annexed to the city because it is not currently contiguous to the city and where the customer agrees as a condition of receiving city water to annex when possible; or</li> <li>(4) Where the customer agrees, as a condition of receiving city water, (a) to petition for and complete annexation when possible and to pay to the city a sum equal to the city tax rate as applied to the existing taxable value of the premises, to be due and payable by the 31st day of July following the first December 31st on which water service is provided, and each annual payment thereafter to be due and payable by the 31st day of July of each year until real property tax payments are due by addition to the city tax roll, or (b) by contract with the city to petition for and complete annexation by a specified date, to pursue annexation with due diligence and, starting on the date specified in the contract for when the petition for annexation must be completed, to pay the city a sum equal to the city tax rate as applied to the existing taxable value of the premises, due and payable on July 31st of each year until real property tax payments are due by addition to the city tax roll.</li> </ol> <p>Such agreements shall require:</p> <ol style="list-style-type: none"> <li>(1) Water rates of not less than 2 times the rate for service in the city, provided that for nonprofit or governmental institutions the rate may be less than 2 times the city rate, but more than the city rate;</li> <li>(2) Payment by the customer of improvement charges for the proportionate cost of water main improvements furnishing</li> </ol>

CHAPTER 27 PROPOSED	CHAPTER 27 EXISTING
<p>Upon annexation of the serviced property to the city, the lien upon the serviced property shall become a lien of the same character and effect as the lien created for city taxes and shall include accrued interest and penalties. Upon annexation, the balance still due under the agreement shall become a single lot assessment against the parcel as of the date of annexation and payments shall be made or continue to be made as provided for in the agreement for payments prior to annexation.</p> <p>Upon annexation, collection of payments, including interest and penalties, shall be in accordance with sections 1:295(2) and 1:299(2) of chapter 13.</p>	<p>the service;</p> <p>(3) Payment by the customer of the connection charges specified in this chapter; and</p> <p>(4) That the water main improvement charges and the connection charges in subsections (2) and (3), above, shall be due and payable at the time of connection to the water system, that said connection and improvement charges shall constitute a lien upon the property serviced, shall be a charge against the owner or owners of the serviced property until paid, and that said lien and charges shall include accrued interest and penalties.</p> <p>By resolution City Council shall determine the amount of the water main improvement charges in the same manner as provided in sections 1:271, 1:274 and 1:278 of Chapter 12 and may also permit the payment of said improvement charges in installments in the same manner as provided in section 1:275 of Chapter 12.</p> <p>Upon annexation of the serviced property to the city, the lien upon the serviced property shall become a lien of the same character and effect as the lien created for city taxes and shall include accrued interest and penalties. When any such improvement charge, or an installment thereof when divided into installments, shall have been due and unpaid for more than 30 days on the first day of September in any year, the same shall be reported by the Treasurer to the Assessor, and such amounts, together with a charge of 5% of the amount of the improvement charge or installment thereof, and unpaid interest shall be added to the December tax roll.</p>

CHAPTER 28 PROPOSED	CHAPTER 28 EXISTING
<p><b>2:41.2f. - Definitions.</b></p> <p>Unless the context specifically indicates otherwise, the following terms and phrases used in this chapter shall have the meanings defined below.</p> <ol style="list-style-type: none"> <li>(1) "Sanitary sewer" means a sewer which carries wastewater and to which storm water and ground water are not intentionally admitted.</li> <li>(2) "Sanitary sewer capital recovery charge" means a fee that represents the allocated capital cost of capacity of the city sanitary sewer system that serves the connection of a parcel or unit to the city sanitary sewer system and is calculated as provided in section 2:42.4 of this chapter.</li> <li>(2) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities of a user which causes them to become all or partially inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.</li> <li>(3) "Sewer" means a pipe or conduit for carrying wastewater, storm water, or groundwater.</li> <li>(4) "Slug discharge" means a discharge of a non-routine, episodic nature, including, but not limited to, an accidental spill or a non-customary batch discharge.</li> <li>(5) "Source" means any building, structure, facility, vehicle, or installation from which there is or may be a discharge to the POTW.</li> <li>(6) "State director" means the Director of the Michigan Department of Environmental Quality or its successor.</li> <li>(7) "Storm sewer" means a sewer intended to carry only atmospheric precipitation, surface runoff, or water from footing drains, but not wastewater.</li> <li>(8) "Suspended solids - S.S." means solids that either float on the surface of, or are in suspension in, wastewater and which can be removed by standard laboratory filtering.</li> <li>(9) "Tap" means the act of providing a point for connection of a service</li> </ol>	<p><b>2:41.2f. - Definitions.</b></p> <p>For the purposes of this chapter, the following words and phrases shall have the meanings described in this section unless the context in which they are used specifically indicates otherwise:</p> <ol style="list-style-type: none"> <li>(1) Sanitary sewer shall mean a sewer which carries wastewater and to which storm water and ground water are not intentionally admitted.</li> <li>(2) Severe property damage shall mean substantial physical damage to property, damage to the treatment facilities of a user which causes them to become all or partially inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.</li> <li>(3) Sewer shall mean a pipe or conduit for carrying wastewater, storm water, or groundwater.</li> <li>(4) Slug discharge shall mean a discharge of a non-routine, episodic nature, including, but not limited to, an accidental spill or a non-customary batch discharge.</li> <li>(5) Source shall mean any building, structure, facility, vehicle, or installation from which there is or may be a discharge to the POTW.</li> <li>(6) State director shall mean the Director of the Michigan Department of Environmental Quality.</li> <li>(7) Storm sewer shall mean a sewer intended to carry only atmospheric precipitation, surface runoff, or water from footing drains, but not wastewater.</li> <li>(8) Suspended solids - S.S. shall mean solids that either float on the surface of, or are in suspension in, wastewater and which can be removed by standard laboratory filtering.</li> <li>(9) Tap shall mean the act of providing a point for connection of a service by means of a tee, wye or saddle.</li> <li>(10) TKN - Total Kjeldahl Nitrogen shall mean the measure of the total ammonia nitrogen present in wastewater after any organic nitrogen present has been converted to ammonia</li> </ol>

CHAPTER 28 PROPOSED	CHAPTER 28 EXISTING
<p>by means of a tee, wye or saddle.</p> <p>(10) “TKN - Total Kjeldahl Nitrogen” means the measure of the total ammonia nitrogen present in wastewater after any organic nitrogen present has been converted to ammonia nitrogen under standard digestive procedures and expressed in milligrams per liter.</p> <p>(11) “Upset” means an exceptional incident in which there is unintentional and temporary non-compliance with categorical pretreatment standards or other limits applicable to the user because of factors beyond the reasonable control of the user. An upset does not include non-compliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.</p> <p>(12) “U.S. EPA” means the United States Environmental Protection Agency or its successor.</p> <p>(13) “User” means a person who discharges into the POTW and a municipality whose collection system discharges into the POTW.</p> <p>(14) “Wastewater” means water discharged to the POTW by a user which may or may not contain other pollutants. This term does not include storm water or ground water.</p>	<p>nitrogen under standard digestive procedures and expressed in milligrams per liter.</p> <p>(11) Upset shall mean an exceptional incident in which there is unintentional and temporary non-compliance with categorical pretreatment standards or other limits applicable to the user because of factors beyond the reasonable control of the user. An upset does not include non-compliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.</p> <p>(12) U.S. EPA shall mean the United States Environmental Protection Agency or its successor.</p> <p>(13) User shall mean a person who discharges into the POTW and a municipality whose collection system discharges into the POTW.</p> <p>(14) Wastewater shall mean water discharged to the POTW by a user which may or may not contain other pollutants. This term does not include storm water or ground water.</p>

**CHAPTER 28 PROPOSED**

**Section 2.42.4. - Sanitary sewer capital recovery charges due at time of connection.**

- (1) A property newly connecting directly or indirectly to the city sanitary sewer system is required to pay sanitary sewer capital recovery charges, as calculated in this section. Premises on which a larger connection or additional connection(s) are installed shall be considered newly connected to the city sanitary sewer system. Sanitary sewer capital recovery charges not paid in full at the time of connection shall be levied against the property as a single lot assessment in accordance with Chapters 12, 13, and 28.
- (2) Sanitary sewer capital recovery charges consist of a charge for capacity generating asset capital costs, which varies by meter size, and a charge for non-capacity generating asset capital costs, which is uniform. Sanitary sewer capital recovery charges are calculated as follows:

Water Meter Size	Capacity Generating Assets Charge	Non-Capacity Generating Assets Charge	Total Sanitary Sewer Capital Cost Recovery Charge
<i>Displacement Meters</i>			
0.62	\$6,587	\$120	\$6,707
0.75	\$6,587	\$120	\$6,707
1.00	\$10,978	\$120	\$11,098
1.50	\$21,956	\$120	\$22,076
2.00	\$35,130	\$120	\$35,250
3.00	\$96,608	\$120	\$96,728
4.00	\$153,694	\$120	\$153,814
<i>Magmeters</i>			
0.75	\$12,076	\$120	\$12,196
1.50	\$29,641	\$120	\$29,761
2.00	\$48,304	\$120	\$48,424
2.50	\$109,782	\$120	\$109,902
3.00	\$164,672	\$120	\$164,792
4.00	\$274,454	\$120	\$274,574
6.00	\$614,777	\$120	\$614,897
8.00	\$801,406	\$120	\$801,526
10.00	\$1,284,445	\$120	\$1,284,565
12.00	\$1,932,135	\$120	\$1,932,255

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**2:42.4. - Connection costs; connection charges, and improvement charges.**

In addition to the sewer fees specified in (SC-2) public services area rules and regulations and in section 2:42.3 of this chapter, a sewer connection charge shall be levied against every premise newly connected to the public sewer to provide the premises' fair share of the cost of additions to the sewer system necessary for and resulting from the connections to the sewer system and to bear its fair share of the amortized cost of the existing improvements not financed by special assessment. The sewer connection charge shall also be levied at the time as the demand on the sewage service serving any property is expanded, as well as at the time that the water service is newly connected, as defined in section 2:22 of Chapter 27 of Title II of the Code. The sewer connection charge shall become payable at the time of installation off the water meter for the property or at the time of sewer connection and shall be based on the size of the water tap in accordance with the schedule for the sewer connection charges provided below. In the event that the premises is served with water by other than the public services area of the City of Ann Arbor, the sewer connection charge shall be based on the water tap size which would be required by the standards of the Ann Arbor Utilities Department pursuant to Chapter 27 of the Ann Arbor City Code.

Whenever a sewer service serving an existing premises is enlarged, and the customer originally paid a sewer permit charge based on meter size, the original meter size will be converted to tap size (see chart) and the difference between the equivalent tap size and the actual tap size shall be levied.

Original Meter Size	Equivalent Tap Size
5/8"	1"
3/4"	1 1/4"
1"	1 1/2"
1 1/2"	2"
2"	3"
3"	4"
4"	5"
6"	7"



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(3) The capacity generating assets charge component is reduced by a credit of 11% for the following categories of properties:

- A. A parcel that is part of a development project for which the owner or developer constructed and dedicated to the city, pursuant to an agreement with the city, an addition or enhancement to that portion of the city sanitary sewer system that serves the development and to which the parcel connects.
- B. A parcel that was part of the city before 2004, or whose parent parcel was part of the city before 2004, and connects to an existing sanitary sewer main built before 2004.
- C. A parcel that connects to a sanitary sewer main first constructed by the city after December 31, 2014. Parcels in this category also will pay an extension charge component as provided in subsection (4).

Sanitary sewer capital recovery charges with the credit applied to reduce the capacity generating assets charge component are calculated as follows:

Meter Size	Capacity Generating Assets Charge with Credit	Non-Capacity Generating Assets Charge	Total Sanitary Sewer Capital Recovery Charge with Credit
<i>Displacement Meters</i>			
0.62	\$5,862	\$120	\$5,982
0.75	\$5,862	\$120	\$5,982
1.00	\$9,770	\$120	\$9,890
1.50	\$19,541	\$120	\$19,661
2.00	\$31,266	\$120	\$31,386
3.00	\$85,981	\$120	\$86,101
4.00	\$136,788	\$120	\$136,908
<i>Magmeters</i>			
0.75	\$10,748	\$120	\$10,868
1.50	\$26,380	\$120	\$26,500
2.00	\$42,991	\$120	\$43,111
2.50	\$97,706	\$120	\$97,826
3.00	\$146,558	\$120	\$146,678
4.00	\$244,264	\$120	\$244,384

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**SCHEDULE OF CONNECTION CHARGES**

Tap Size (Inches)	Sewer Connection Charge
1"	\$2,235.00
1¼"	\$3,492.00
1½"	\$5,029.00
2"	\$8,940.00
3"	\$20,115.00
4"	\$35,760.00
5"	\$55,875.00
6"	\$80,460.00
7"	\$109,515.00
8"	\$143,040.00
10"	\$223,500.00
12"	\$321,840.00

An improvement charge shall be levied against certain properties connecting directly or indirectly to extensions and additions to the public sewer in accordance with Chapters 12 and 13.

The city shall not furnish sanitary sewer collection or wastewater treatment services to consumers outside city limits, except pursuant to agreements approved by the city council. Such agreements may hereafter be approved in the following circumstances:

- (1) Where necessary to obtain a right-of-way;
- (2) For non-profit or governmental entities;
- (3) To eliminate a health hazard on an existing developed premises which cannot be annexed to the city because it is not currently contiguous to the city and where the customer agrees as a condition of receiving city sanitary sewer collection and wastewater treatment services to annex when possible; or

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6.00	\$547,152	\$120	\$547,272
8.00	\$713,251	\$120	\$713,371
10.00	\$1,143,156	\$120	\$1,143,276
12.00	\$1,719,600	\$120	\$1,719,720

When a property increases the size of an existing connection to the city water supply system or replaces an existing connection with a larger connection, defined by the meter sizes, the new Sanitary Sewer Capital Recovery Charge shall be the difference between the charge shown above for the existing water meter size and the charge shown above for the new water meter size. When a property decreases the size of an existing connection to the city water supply system or replaces an existing connection with a smaller connection, defined by the meter sizes, the city will not refund any prior sanitary sewer improvement or connection charge, or any prior sanitary sewer capital recovery charge.

(4) The sanitary sewer capital recovery charge for a property newly connecting directly or indirectly to a sanitary sewer main first constructed by the city after December 31, 2014, shall also include an extension charge component, which will be uniform. Sanitary sewer capital recovery charges with the extension charge component and with the credit applied to reduce the capacity generating assets charge component are calculated as follows:., as follows:

Meter Size	Capacity Generating Assets Charge with Credit	Non-Capacity Generating Assets Charge	Extension Charge	Total Sanitary Sewer Capital Recovery Charge with Credit
<i>Displacement Meters</i>				
0.62	\$5,862	\$120	\$19,972	\$25,954
0.75	\$5,862	\$120	\$19,972	\$25,954
1.00	\$9,770	\$120	\$19,972	\$29,862
1.50	\$19,541	\$120	\$19,972	\$39,633
2.00	\$31,266	\$120	\$19,972	\$51,358
3.00	\$85,981	\$120	\$19,972	\$106,073
4.00	\$136,788	\$120	\$19,972	\$156,880
<i>Magmeters</i>				
0.75	\$10,748	\$120	\$19,972	\$30,840

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(4) Where the customer agrees, as a condition of receiving city sanitary sewer collection and wastewater treatment services, (a) to petition for and complete annexation when possible and to pay to the city a sum equal to the city tax rate as applied to the existing valuation of the premises, or (b) by contract with the city, to petition for annexation by a specified date, to pursue annexation with due diligence and, starting on the date specified, to pay the city a sum equal to the city tax rate as applied to the existing valuation of the premises.

Such agreements shall require:

- (1) Sewer rates of not less than 2 times the rate for service in the city, provided that for non-profit or governmental institutions the rate may be less than 2 times the city rate, but more than the city rate;
- (2) Payment by the customer of the proportionate cost of sanitary sewer improvements furnishing the service;
- (3) Payment by the customer of the connection charges specified in this chapter; and
- (4) That the sanitary sewer improvement charges and the connection charges in subsections (2) and (3), above, shall be due and payable at the time of connection to the sanitary sewer system, that said connection and improvement charges shall constitute a lien upon the property serviced, shall be a charge against the owner or owners of the serviced property until paid, and that said lien and charges shall include accrued interest and penalties.

By resolution City Council shall determine the amount of the improvement charges in the same manner as provided in Sections 1:271, 1:274 and 1:278 of Chapter 12 and may also permit the payment of said improvement charges in installments over a 6 year period, or other period, with interest not to exceed 9% per annum.

Upon annexation of the serviced property to the city, the lien upon the serviced property shall become a lien of the same character and effect as the lien created for city taxes and shall include accrued interest and penalties. When any such improvement charge, or an installment thereof when divided into installments, shall have been due and unpaid for more than 30 days on the first day of September in any year, the same shall be reported by the Treasurer to the

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1.50	\$26,380	\$120	\$19,972	\$46,472	Assessor, and such amounts, together with a charge of 5% of the amount of the improvement charge or installment thereof, and unpaid interest shall be added to the December tax roll.
2.00	\$42,991	\$120	\$19,972	\$63,083	
2.50	\$97,706	\$120	\$19,972	\$117,798	
3.00	\$146,558	\$120	\$19,972	\$166,650	
4.00	\$244,264	\$120	\$19,972	\$264,356	
6.00	\$547,152	\$120	\$19,972	\$567,244	
8.00	\$713,251	\$120	\$19,972	\$733,343	
10.00	\$1,143,156	\$120	\$19,972	\$1,163,248	
12.00	\$1,719,600	\$120	\$19,972	\$1,739,692	
<p>(5) If a property connects to the city sanitary sewer system on or after January 1, 2016, and before April 1, 2016, and has paid or been assessed sanitary sewer improvement charges and connection charges at the time of that connection, the property owner shall be entitled to a refund of the difference between the sum of those charges and the applicable sanitary sewer capital recovery charge calculated in accordance with this section if it is less. If the property owner is paying installments, the installment payments will be adjusted accordingly.</p> <p>(6) The city shall not furnish sanitary sewer collection or wastewater treatment services to consumers outside city limits, except pursuant to agreements approved by the city council. Such agreements may hereafter be approved in the following circumstances:</p> <p>A. Where necessary to obtain a right-of-way;</p> <p>B. For governmental entities;</p> <p>C. To eliminate a health hazard on an existing developed premises which cannot be annexed to the city because it is not currently contiguous to the city and where the customer agrees as a condition of receiving city sanitary sewer collection and wastewater treatment services to annex when possible; or</p> <p>D. Where the customer agrees, as a condition of receiving city sanitary sewer collection and wastewater treatment services, (a) to petition for and complete annexation when possible, or (b) agrees to petition for and complete annexation by a specified date, to pursue annexation with due diligence and, starting on the date specified in the agreement for when the petition for annexation must be completed, to pay the city a sum equal to the city tax rate as applied to the existing taxable</p>					

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<p>value of the premises, due and payable on July 31 of each year until real property tax payments are due by addition to the city tax roll.</p> <p>Such agreements shall require:</p> <ul style="list-style-type: none"> <li>A. Sewer rates of not less than 2 times the rate for service in the city, provided that for governmental institutions the rate may be less than 2 times the city rate, but more than the city rate;</li> <li>B. Payment by the customer of the sanitary sewer capital recovery charges specified in section 2:42.4 of this chapter; and</li> <li>C. That the capital recovery charges in subsections (2) shall be due and payable at the time of connection to the sanitary sewer system, that said capital recovery charges shall constitute a lien upon the property serviced, shall be a charge against the owner or owners of the serviced property until paid, and that said lien and charges shall include accrued interest and penalties.</li> <li>D. City Council may permit the payment of said sanitary sewer capital recovery charges in installments as provided in section 1:275 of chapter 12.</li> </ul> <p>Upon annexation of the serviced property to the city, the lien upon the serviced property shall become a lien of the same character and effect as the lien created for city taxes and shall include accrued interest and penalties. Upon annexation, the balance still due under the agreement shall become a single lot assessment against the parcel as of the date of annexation and payments shall be made or continue to be made as provided for in the agreement for payments prior to annexation.</p> <p>(7) Upon annexation, collection of payments, including interest and penalties, shall be in accordance with sections 1:295(2) and 1:299(2) of chapter 13.</p>	