

VILLAGE OF PINCKNEY – TOWNSHIP OF PUTNAM
WATER SERVICE CONTRACT – PATTERSON LAKE ROAD AREA

THIS CONTRACT, made this ____ day of _____, 2018 between the VILLAGE OF PINCKNEY, a Michigan municipal corporation, with offices at 220 S. Howell Street, Pinckney, Michigan 48169, (hereinafter “Village”), and TOWNSHIP OF PUTNAM, a general law township, with offices at 3280 W. M-36, Pinckney, Michigan 48169, (hereinafter “Township”).

RECITALS

WHEREAS, the Village owns and operates, a water supply system in the County of Livingston, State of Michigan; and,

WHEREAS, in order to solve a health problem for its residents, the Township desires to obtain a water supply from the Village for single family homes in the area shown in Attachment “A”.

NOW, THEREFORE, in consideration of the promises and covenants of each other, the parties agree as follows:

1. **WATER SUPPLY SERVICE BY THE VILLAGE**

The Village shall provide, and the Township residents shall purchase water from the Village. The water supplied shall service only single family homes in the area of the Township outlined in Attachment “A”.

2. **PURCHASE OF WATER SUPPLY SERVICE**

The Village and Township agree that the Township shall require, by Ordinance, all single family homes within the area of the Township outlined in Attachment “A” to connect and purchase water services which are provided by the Village’s system under the terms of this Contract.

3. **COMPENSATION**

A. **PAYMENT IN LIEU OF TAXES**

Each single family residence connected to the Village’s water supply shall be charged a fee of One Hundred and No/100 (\$100.00) Dollars per year which is to be paid at the rate of Twenty-Five and No/100 (\$25.00) Dollars per quarter.

B. CONNECTION PERMIT CHARGE – WATER SUPPLY SERVICE

The Village and Township agree that a payment shall be made to the Village for each individual Water Connection Permit Charge. The charge shall be _____ Dollars for each Water Connection Permit Charge and the fee shall be paid to the Village prior to the physical connection of each single family residence or user, but in no event later than twenty-four (24) months from the date of the execution of this Contract.

C. OPERATION, MAINTENANCE AND EQUIPMENT REPLACEMENT CHARGE – WATER SUPPLY SYSTEM

The Township agrees that each resident connected to the Village’s water supply shall pay to the Village a per gallon rate to be charged for the operation, maintenance and equipment replacement of the Water Supply System as adopted by the Council by ordinance from time to time plus a ten (10%) percent premium above what Village residents pay for said costs.

D. COLLECTION

- (1) The Village agrees to bill and collect water service charges as determined by the Village.
- (2) Annually, prior to June 1, the Village shall certify to the Township Assessing Officer all the rates, charges and fees together with interest and penalties, owing by Township users delinquent as of the end of the March billing period and such assessing officer shall enter the same on the appropriate tax roll as a lien against the premises to which the services had been rendered, and the Township shall enforce the lien and shall collect said sums as provided by law. The Township shall promptly remit to the Village all sums so collected. If the Township fails or neglects to so enter such delinquent charges on its tax roll, the Township shall pay to the Village such charges not later than September 15 of the year of such certification. The Township pledges its full faith and credit for all the charges set forth in this Contract.
- (3) The Township agrees to remit to the Village all special assessment charges and applicable penalties, fees and interest from the Township tax collections within ten (10) business days after the 1st and the 15th of each month collections, but no later than the Township’s receipt of delinquent taxes and special assessments from the Livingston County delinquent Tax Revolving Fund.
- (4) In the event the County does not remit delinquent taxes to the local units through a tax revolving fund or if the Township is in default of the Contract, then the Village reserves the right to discontinue service to the defaulted property owner.

4. TERMINATION OF CONTRACT:

- A. The Township shall have twenty-four (24) months from the date of execution of this Contract to pay the Village the funds more particularly set forth in paragraph B of this Contract.

- B. The Township shall have twenty-four (24) months from the date of the execution of this Contract to complete the construction more particularly set forth in paragraph 6 of this Contract.
- C. If the Township does not perform their obligations set forth above within the time parameters herein described, the Township shall not have any rights or obligations under this Contract. The Village shall have no other rights or obligations other than to retain payments made to the Village pursuant to this Contract.

5. DEFAULT

- A. The Village reserves the right to discontinue service to the Township in the event that the Township is in default of this Contract, as well as to exercise any other additional remedies provided by law.
- B. The Village may charge interest for any overdue payments. Each homeowner shall be considered a utility account subject to the same overdue penalty conditions as any other account, i.e., ten (10%) percent late penalty charge. Additionally, the Village may charge interest for any overdue payments. The interest rate charged shall be the maximum permitted by law, but in no event shall the interest charges exceed twenty-five (25%) percent per annum on the unpaid balance of the debt. The payments shall be considered overdue if not paid pursuant to the times prescribed by the Village. Default includes, but is not limited to, either nonpayment or late payment.

6. CONSTRUCTION OF WATER MAINS TO SERVE THE TOWNSHIP

- A. The Township shall have complete and full responsibility to pay for the cost of designing, constructing and inspecting water lines, pump stations or any other appurtenances thereto for the purposes of the Township connecting to the Village's water system. Conversely, the Village shall not have any responsibility to pay for the cost of designing, constructing and inspecting water lines, pump stations or any other appurtenances thereto for the purposes of the Township connecting to the Village's water system.
- B. All design and construction of water facilities in the Township shall be supervised and approved by the Village's Engineer. The Village's Engineer shall conduct a final inspection of said facilities. Design, review, report and final inspection costs incurred by the Village of the Township facilities shall be paid directly by the Township.
- C. Upon completion of the construction of all of the water facilities located in the Township, the water facilities shall be dedicated to the Village free of charge. Should the Village permanently discontinue water service to the Township for any reason, the Township shall, at its option, upon giving written notice to the Village become the owner of all the water facilities including meters located on the property located in the area of the Township outlined in the Attachment "A", subject only to the Village's right to use the water facilities for transmission of water to other areas which are then serviced by the use of such facilities

located within the area of the Township outlined in Attachment "A". In the event the Township becomes the owner of the water facilities located within the area defined in Attachment "A", the Township shall reimburse the Village for all costs and/or expenditures incurred by the Village, excepting therefrom only routine maintenance costs and/or expenditures.

- D. Detailed records, including drawn plans of any construction, alteration, addition or relocation of water facilities located in the Township shall be kept on file by the Village and copies shall be delivered to the Township.
- E. The Township shall obtain any necessary easements and permits required to accomplish the goals of this Contract. Additionally, the Township shall grant a franchise to the Village and obtain permission for the Village to use streets, highways, alleys and other rights of way within the Township under its control for the purpose of maintaining and repairing water facilities located with the Township. After initial construction, the Township shall restore all existing structures or improvements lying in said rights of way of construction to as good a condition as before the construction took place and shall save harmless the Village from any and all liability, claims, suits, actions or causes of action for damages, for injuries or otherwise by reason of the construction work hereinabove provided for.
- F. The Township, by ordinance, shall provide that the homeowner shall install and maintain all service leads to individual premises including meters and valves and bear the cost of connecting said service leads to and from the Village's water facilities located within the Township. The Village's responsibility and liability shall end at the property line of the homeowner.

7. MAINTENANCE AND REPAIR OF WATER FACILITIES TO SERVE THE TOWNSHIP

- A. All maintenance and repair costs associated with the water facilities located within the Township shall be borne by the Village.
- B. The Township shall provide to the Village the legal right of access to the service area for the purposes of construction, maintenance and repair.

8. METERING

Each residence served by the Village's water supply shall be metered with a remote encoder receptacle. The Township shall be responsible for providing the Village one portable hand-held meter reading device, capable of electronically "capturing" the meter read data from the remote encoder receptacles.

9. TERM

The term of the Contract shall commence on the date hereto and terminate Fifty (50) years hence, unless the water supply system permanently discontinues operation during this term; under such circumstances the Contract shall expire. The Village and the Township agree that this Contract may be extended if mutually agreeable terms are agreed upon by the Village and the Township at the time of the expiration of this Contract.

10. CONTAMINATION OF WATER SUPPLY

For the protection of all consumers supplied with water from the Village's system, the Township agrees to guard carefully against all forms of contamination and that, if at any time contamination should occur, the area or areas affected shall immediately be shut off and isolated and remain so until such condition has been abated and the water declared again safe and fit for human consumption by the properly constituted governmental health agencies having jurisdiction of the area affected.

11. EXCLUSIVE SERVICE

During the term of this Contract, the Village shall have the exclusive right to sewage originating provide water to the service area as outlined in Attachment "A".

12. PLANNED INTERRUPTION OF SERVICE

In the event the proper operation of the water supply system requires the Village to discontinue temporarily all or part of the water supply system servicing the Township, no claims for damages for such discontinuance shall be made by the Township against the Village. The Village shall immediately notify by telephone the Township upon learning of any accidental interruptions of service. Whenever service to the points of connection will be intentionally interrupted temporarily by the Village to facilitate repair, modification or connection to the Village's water supply system, the Village, prior to such interruption, shall give the Township reasonable notice of the time, duration and area affected by the interruption of service.

13. FAILURE OF PERFORMANCE

No failure or delay in the performance of the executed Water Service Contract by either party shall be deemed to be a breach thereof when such failure or delay is occasioned by or due to any Act of God, strikes or lockouts, wars, riots, epidemics, explosions, sabotage, breakage, or accidents to machinery or lines of pipe, the binding order of any court or governmental authority, or any other cause, whether of the kind herein enumerated or otherwise not in the control of the party claiming suspension, provided that no cause or contingency shall relieve the Township of its obligation to make payment.

14. INDEMNIFICATION

The Township agrees to save harmless the Village against and from any and all claims, costs, charges and expenses (including, without limitation, fees and expenses of attorneys, expert witnesses and other consultants) which may be imposed against the Village by reason of any of the following occurring during the term of this contract:

- A. Any negligent or tortious acts, errors or omissions of the Township or any of its personnel, employees, subcontractors, or consultants in the construction, operation, or maintenance of the water supply system and facilities, notwithstanding any prior approval of the Village of the plans and specifications relating to the construction of such systems and facilities and inspections conducted thereof by the Village; and,
- B. Any failure by the Township or any of its personnel, employees, consultants, or subcontractors, to perform its obligation, either express or implied, under the Contract or any negligent or tortious acts, errors or omissions of the Township, its personnel, employees, consultants or subcontractors.

15. INSURANCE

During the term of the Contract, both parties shall maintain public liability insurance for the water supply system. Evidence of such insurance in a form approve by the Village's attorney for insurance obtained by the Township for the Village as a named additional insured and by the Township's attorney for insurance obtained by the Village shall be provided prior to the provision of water to the Township annually.

16. TAXES

The Township agrees not to assess any ad valorem taxes on any water supply facilities situated with the Township and owned by the Village.

17. BOUND BY VILLAGE ORDINANCES

The Township agrees to adopt ordinances which require all water supply facility users situated within the area outlined in Attachment "A", to be bound by all rules, regulations and ordinances of the Village to the same extent that users within the corporate limits of the Village are so bound.

18. RESOLUTION OF DISPUTES

It is recognized by both parties that in the future certain disputes regarding the terms of this Contract may arise between the Village and the Township. In order to provide for the orderly resolution of these matters, the following process is established.

- A. Within thirty (30) calendar days after a grievance is noted, the offended legislative body shall inform the other legislative body of their disagreement in writing. The non-aggrieved party shall have up to thirty (30) days in which to respond to the grievance. This response shall be in writing.
- B. Should the parties be unable to resolve their differences within sixty (60) days of the date of the written response to the grievance or be then unable to agree upon a method to mediate and resolve their differences, either party may seek its lawful or equitable remedies in the Michigan Court having lawful jurisdiction over the subject matter of the dispute.

19. NON-ASSIGNABILITY

This Contract is not assignable by the Township without written consent from the Village.

20. SUCCESSORS

It is hereby agreed that this Contact shall be binding upon all successor governmental units which may assume jurisdiction over all or part of the areas now governed by the parties.

21. SEVERABILITY

Should any provision of this Contract be found by a court of law to be unconstitutional, it shall be severed from the Contract and the remaining provisions shall remain in full force and effect.

In witness whereof, the parties have set their hands and seals the day and year first above written.

Witnesses:

VILLAGE OF PINCKNEY
A General Law Village

By: _____
Its Supervisor

By: _____
Its Clerk