

VILLAGE OF PINCKNEY  
220 South Howell, Pinckney, Michigan 48169  
Livingston County, Michigan

RESOLUTION to ESTABLISH VILLAGE WATER AND SEWER RATES EFFECTIVE  
JANUARY 1, 2023

RESOLUTION NUMBER 22-

Resolution adopted at a meeting of the Village Council of the Village of Pinckney, Livingston County, Michigan, held at the Village Hall, 220 S. Howell, Pinckney, Michigan 48169, on \_\_\_\_\_, 2022.

WHEREAS, the Village provides public sewer and water services to Village residents in accordance with the Village Code of Ordinances, and in compliance with the Revenue Bond Act of 1933; and

WHEREAS, the Revenue Bond Act of 1933 and the Village Water and Sewer Use Ordinance require the Village to annually review and revise as necessary the rates and charges for public water and sewer use service to assure for the adequate operation of the public system, and to insure the security of bonds issued; and

WHEREAS, the Revenue Bond Act of 1933 and the Village Code of Ordinances direct that no free service shall be furnished by the system to any person, firm, or corporation, public or private, or to a public agency or instrumentality; and

WHEREAS, the Revenue Bond Act of 1933 and the Village Code of Ordinances direct that rates and charges which shall be established and revised by Village Council by resolution must produce revenues sufficient to provide for the payment of expenses of administration, operation, maintenance, and improvements to the system, including an adequate reserve for major repairs and replacements, for the purpose of preserving the public water and sewer utility system in good repair and working order; and

WHEREAS, the wastewater discharge of typical buildings in the Village are not specifically metered and said use of the system is considered to have a direct relationship with the metered water use and the size of the water line; and

WHEREAS, the American Water Works Association (AWWA) is an international non-profit, scientific and educational association founded to improve water quality and supply and for purposes of equitably distributing costs among users of water systems, has established a Meter Equivalent Unit Table (MEU) based on meter size, as found in the Water Ordinance:

| Meter Capacity to MEU Conversion |      |
|----------------------------------|------|
| Meter Size (Inches)              | AWWA |
| Meter Capacity Ratio             |      |
| 5/8 and 3/4                      | 1.0  |
| 1                                | 2.5  |
| 1-1/2                            | 5.0  |
| 2                                | 8.0  |
| 3                                | 17.5 |
| 4                                | 30.0 |
| 6                                | 62.5 |

**NOW, THEREFORE, BE IT HEREBY RESOLVED:**

The Village Council finds, approves, determines, and adopts the following:

**Section 1.** These minimum rates are hereby adopted effective January 1, 2023:

| Fiscal Year 2022-23  | Water           | Sewer           |
|--|-----------------|-----------------|
| Fiscal Year  | <b>2022-23</b>  | <b>2022-23</b>  |
| Annual Capacity Cost per MEU                                       | <b>\$127.20</b> | <b>\$201.71</b> |
| Debt Service per MEU   | -               | <b>\$154.87</b> |
| Commodity Charge per Unit (Metered)                                | <b>\$4.24</b>   | <b>\$7.14</b>   |
| Commodity Charge - Flat Rate Sewer Single Family                   | -               | <b>\$142.80</b> |
| Commodity Charge - Flat Rate Sewer Multi-Family (formerly SEWER10) | -               | <b>\$357.00</b> |

**Section 2.** The following cost recovery methodology is hereby adopted:

Rate charges for water and sanitary sewer service to customers of the Village shall be calculated taking into account the following factors:

- Ñ *Operating Costs.* The Village’s net cost of operating the system.
- Ñ *Debt Service Expense.* The actual cost of principal and interest payments
- Ñ *Depreciation Expense.* The annual cost of the use (wear and tear) of the system assets based on the original value and the useful life of the system assets

|                         |           |
|-------------------------|-----------|
| a. Operating Costs      | \$715,758 |
| b. Debt Service Expense | \$152,626 |
| c. Depreciation Expense | \$450,000 |

Methodologies:

Commodity Costs. Commodity rate charges for metered water and sanitary sewer service to customers of the Village shall be based on usage.

Proportionate Allocation of Costs by Capacity. To ensure that all users bear an equitable burden of operating the water and sewer system based on the capacity of the user’s connection to the system, the following costs are to be allocated proportionally based on the Meter MEU table in this resolution.

**Section 3. Flat Rate Sewer.**

Flat rate customers shall be charged a single established commodity rate for sewer usage and shall be charged an allocation of costs by capacity based on the estimated meter size that would be installed if the customer was metered as determined by the Department of Public Works.

Village Council Member \_\_\_\_\_ offered the foregoing Resolution and moved its adoption. The motion was second by Village Council Member \_\_\_\_\_, and upon being put to a vote, the vote was as follows:

|                           |       |
|---------------------------|-------|
| Rebecca Foster, President | _____ |
| Justin Bierman, Trustee   | _____ |
| Ted Kinczkowski, Trustee  | _____ |
| Linda E. Lavey, Trustee   | _____ |
| Brian Matson, Trustee     | _____ |
| Justin McInnes, Trustee   | _____ |
| Scott Smith, Trustee      | _____ |

The President thereupon declared this Resolution approved and adopted by the Village Council of the Village of Pinckney this \_\_\_ day of \_\_\_\_\_ 2022.

\_\_\_\_\_  
Rebecca Foster, Village President

**CERTIFICATE**

I, Jill Chapman, the Clerk of Village of Pinckney, hereby certify that the foregoing resolution was adopted by the Village of Pinckney Council, as presented at the meeting of said Council held on \_\_\_\_\_, at which meeting a quorum was present, by a roll call vote of said members as herein before set forth; that said resolution was ordered to take effect \_\_\_\_\_, 2022.

\_\_\_\_\_  
Jill Chapman, Clerk

\_\_\_\_\_  
Date