

**CHARTER TOWNSHIP OF WILLIAMS
BOARD OF TRUSTEES
REGULAR MEETING – October 23, 2007**

The Board of Trustees of the Charter Township of Williams held a regular meeting and a Public Hearing on the 2008 Budget on Tuesday October 23, 2007 at the Township Hall. The agenda is attached Exhibit A.

I. Call to Order & Roll Call

The meeting was called to order by Tom Paige, Supervisor at 7:00 p.m. Present: Paige (Supervisor), Hoverman (Treasurer), Charney (Clerk), Plant (Trustee), and Putt (Trustee). Excused: Schrott (Trustee) and Wasek (Trustee).

II. Pledge of Allegiance

The Pledge of Allegiance to the flag was said in unison.

III. Open to the Public

Kevin Ayala, Bay County Library System Asst. Director, was present to provide information and answer questions about their November 6th ballot proposal. The library system ballot proposal is for a three year, 1mill (down from 1.2 mills) operational millage. The funding, if approved by voters, represents about 60% of their budget. The Auburn branch would be open 5 days per week, Tuesday through Saturday, rather than Monday and Tuesday only.

Ken Miller, Bay County DWS was also present to provide information on water rates and connection fees.

10-07-074-B/L/M A motion was made by Paige and seconded by Plant to support the
===== November 6, 2007 Bay County Library System millage proposal to
fund general operations, programs, and services.
4 Ayes 1 Nay Excused: Schrott and Wasek. Motion carried.

IV. Changes to Agenda

Item no. 4 on the agenda will be moved to item no. 1 in order for Ken Miller to provide information on water rates and connection fees.

V. Consent Agenda

1. Approve the October 9, 2007 Board of Trustee Minutes as presented.
2. Approve the payment of bills as submitted.

A motion was made by Plant and seconded by Putt to approve all items as listed on the Consent Agenda.

5 Ayes 0 Nays Excused: Schrott and Wasek. Motion carried.

VI. Public Hearing on Proposed 2008 Budget

The public hearing began at 7:13 p.m.

No budget line items have been changed since the Budget Work Session in September.

There were no members of the public present who asked questions or commented on the proposed budget.

The public hearing concluded at 7:15 p.m.

A. Consideration of Proposed Budgets

10-07-075-A/B

===== A motion was made by Plant and seconded by Hoverman to adopt the 2008 budgets for Williams Township General, Garbage Collection, Sewer Connection, Water Line Extension, and Building & Site Fund, as proposed, and direct the Clerk to prepare the 2008 Appropriations Resolution.

Ayes: Paige, Plant, Hoverman, Charney, and Putt.

Nays: None.

Excused: Schrott and Wasek.

Motion carried.

VII. Regular Agenda

1. Water Rate & Connection Fee Discussion

Ken Miller, Director, Bay County Department of Water & Sewer, was present to provide information and answer questions about updating the township water rates and fees to more accurately reflect current factors that affect the rate and fees.

The pro-forma, or wholesale, water rate from the City of Bay City to the out-city customers increased .20 per hundred cubic feet (ccf) to \$1.86/ccf effective July 1, 2007. This rate is effective for Bay City's 2007/2008 fiscal year (July 1, 2007 through June 30, 2008). Bay County DWS is recommending that out-city customers, including Williams Township, increase our end user water rate by .20/ccf. to \$2.70/ccf. The \$2.50/ ccf rate was effective with third quarter 2003 water billings as adopted by Ordinance #36-K. Eight cents of the water rate is set aside and reserved for elevated water tank maintenance or replacement.

The following table reflects the historical Township water rates.

Ordinance Number	Date	Cost per ccf
36	9/29/1977	\$ 1.245
51	5/12/1980	\$ 1.325
36-A	9/25/1986	\$ 1.70
36-C	4/30/1989	\$ 1.90
36-F	10/1/1996	\$ 2.05
36-G	10/1/1998	\$ 2.20
36-H	7/1/2000	\$ 2.60
36-K	7/1/2003	\$ 2.50

It is also recommended that the quarterly water service charge be increased from the current \$5.66 per quarter to \$9.89 per quarter to reflect the actual current costs for meter reading, billing, and collection related expenses. The \$5.66 rate was effective October 16, 1986 as adopted by Williams Township Ordinance #36-A.

Also, the current \$10.00 quarterly debt charge includes \$1.00 designated for a 1987 bond issue that is now paid off. The remaining \$9.00 goes towards repayment of a 1977 bond issue through 2018, and a 1980 bond issue through 2020. The 1987 bond account has a remaining balance of about \$15,000.

- It is recommended that the debt service charge be reduced to \$9.00 per quarter since the 1987 bond is paid off.
- It is further recommended to rename any reference to “debt charge” or debt to “capital charge” to clarify that funds collected can be utilized for capital improvement purposes.
- It is recommended that the 1987 bond fund balance be transferred into the “Capital Fund” to be available for bond repayments and for capital improvement projects.

Ken Miller then discussed the “SmartRate” methodology for determining connection fees in the township. The SmartRate methodology has withstood legal challenges and does not separate direct and indirect connections; there is just one connection fee. This model considers many factors. Two major factors are a capital improvement plan and the number of connections to the water system in future years. Attached, Exhibit C is a worksheet listing potential capital improvement project options and projected connection fees based on the SmartRate methodology assuming 10 connections per year. Also attached is a township water system map and SmartRate worksheets for Option B for illustrative purposes.

Potential water line extensions were briefly discussed.

T. Paige urged the Board to seriously consider adopting the SmartRate model as it will serve the township's current and future water customers better than the current model since it is a tested and proven model.

Many factors need to be considered when determining a connection fee for new customers. It is imperative that the methodology for determining connection fees is defensible, or the entire water rate structure could collapse, if challenged.

The SmartRate model does project different connection fees for various size meters based on the American Water Works Association (AWWA) equivalent meter factors. Historically, our township has charged the same connection fee for 5/8" and 3/4" meter connections. Ordinance 36-D, section 5, subsection B (1), effective 3/9/1989, provided that "Charges for larger connections shall be set by resolution of the Township Board." The vast majority of new connections are with 5/8" meters. As of July 2007, the township has 1526 meters of which 1,244 are 5/8", 262 are 3/4", 10 are 1", 5 are 1-1/2", and 5 are 2". The Board will need to determine connection fees for larger meters, and whether those connection fees are to be included in the water rate ordinance, or set by board resolution (the Township Attorney likes it in the ordinance).

It is anticipated that the structure and elements adopted by the Board will serve the township's needs for several years. Of course the end user commodity rate for water will likely need to be amended whenever wholesale rate changes occur, and connection fees will need to be reviewed based on water lines installed and a current capital improvement plan.

Additional discussion will occur when a proposed ordinance is provided for review.

2. Published and Revised Ordinance No. 160

Jim Hammond, Township Attorney, suggested a slight modification of the definition of noxious vegetation in proposed Ordinance No. 160, after introduction and the first publication.

The modification was briefly discussed and a consensus was reached among board members that the definition in the originally introduced ordinance and the newly proposed ordinance had the same meaning.

10-07-076-O/N/Z A motion was made by Charney and seconded by Putt to waive
===== reading, adopt, and authorize publication of Ordinance No. 160, the
Noxious Vegetation Ordinance.

Ayes: Plant, Hoverman, Charney, Putt, and Paige..

Nays: None.

Excused: Schrott and Wasek.

Motion carried.

3. Bay Future Inc. Agreement for Services

Bay Future, Inc. is a public/private economic development organization in Bay County dedicated to facilitating economic development strategies that promote and secure opportunities for business retention, growth, and the attraction of new industries that create quality jobs for community residents.

A three year Agreement for services with Bay Future, Inc. was approved in October 2004 with a funding level of \$2,500.00 per year.

A three year renewal Agreement for Services was provided for consideration. The Agreement remains the same as the previously approved Agreement and includes the same Anti-Raiding Policy as requested by Bay County's Townships.

10-07-077-B/E A motion was made by Putt and seconded by Plant to
===== authorize the Supervisor to execute the three year Bay Future, Inc.
Agreement for Services with an annual appropriation level of \$2,500.00.
5 Ayes 0 Nays Excused: Schrott and Wasek. Motion carried.

4. Retention Special Assessments

Information on special assessment districts for subdivision storm water retention within Williams Township was provided and briefly discussed. The special assessments will be placed on the winter 2007 property tax billing.

10-07-078-A/B/S A motion was made by Plant and seconded by Hoverman to adopt
===== the subdivision storm water retention special assessments for the
2007 winter tax roll, attached Exhibit D.
Ayes: Hoverman, Charney, Putt, Paige, and Plant.
Nays: None.
Excused: Schrott and Wasek.
Motion carried.

VIII. Any Other Business

There was no other business.

IX. Adjournment

A motion was made by Hoverman and seconded by Plant to adjourn the meeting at 8:40 p.m.

5 Ayes 0 Nays Excused: Schrott and Wasek. Motion carried.

Williams Charter Township

Amy Charney, Clerk

Tom Paige, Supervisor