

South Haven Area Water-Sewer Authority

WATER & SEWER RULES, REGULATIONS, AND POLICIES

ADOPTED BY SHAWSA

MAY 16, 2018

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ARTICLE I. DEFINITIONS

Sec. 1.1. Definitions.

The following definitions, when used in these rules, regulations, and policies (the "Policy"), shall have the following meanings, except where the context clearly indicates a different meaning. Additionally, terms defined in the SHAWSA Water and Sewer Use Ordinance shall generally have the meanings provided therein when used in this Policy, except where the context clearly indicates a different meaning.

- (a) *Agency of jurisdiction* shall mean the local government that has jurisdiction over the specific action being considered at the location under consideration. The agency of jurisdiction may a constituent municipality or another municipality in which individual users obtain water or sewer service from SHAWSA by contract.
- (b) *Authorized contractor* shall mean an individual or organization authorized to perform work on the SHAWSA system.
- (c) *Building* shall mean any structure, either temporary or permanent, having a roof supported by columns, walls, or other supports, and used or intended for the shelter or enclosure of persons, animals, chattels, or property of any kind, or for the conduct of business. The definition includes but is not limited to mobile homes, tents, inflatable structures, sheds, garages, greenhouses, and other principal and accessory buildings.
- (d) *Building inspector* shall mean a person designated by the SHAWSA to conduct building inspection or code enforcement.
- (e) *Capacity charge* shall mean a charge that may be levied to new utility users. The charge is a purchase price for that portion of the existing infrastructure that is required to serve all customers (i.e. treatment plants, pumping stations, large capacity trunk lines, etc.).
- (f) *Commercial* shall mean uses primarily concerned with the sale of goods or services or other transactions in commerce.
- (g) *Customer* shall mean any person, company, or institution that is supplied with a service by SHAWSA.
- (h) *Disconnection* shall mean to sever or interrupt a connection to a SHAWSA utility.
- (i) *Industrial* shall mean uses primarily relating to the manufacture or production of products or otherwise primarily characterized by industry.
- (j) *Main* shall mean a principal pipe or duct in a system used to distribute water, sewer, storm water, etc.
- (k) *Main Extension* shall mean the act of extending a main to distribute water, sewer, storm water, etc.
- (l) *Meter* shall mean the device for measuring and registering a quantity over a period of time.
- (m) *National Electric Safety Code* shall mean the appropriate code for electric distribution utilities as published by the Institute of Electrical & Electronic Engineers.
- (n) *Property* shall mean a parcel of land and the buildings upon it, with its grounds or other appurtenances.
- (o) *Reconnection* shall mean to restore a connection to a SHAWSA utility.
- (p) *Residential* shall mean a structure serving as a dwelling or home, used or designed for residence.
- (q) *REU* shall mean residential equivalency units
- (r) *Returned Checks* shall mean checks for payment that are returned as non-collected funds.
- (s) *Service Lead* shall mean a connection between the main and the customer's service.
- (t) *System Improvement* shall mean the act of improving a main or appurtenance of the SHAWSA system.

ARTICLE II. GENERAL PROVISIONS

Sec. 2.1. Interpretation and Enforcement.

SHAWSA shall be responsible for the interpretation and enforcement of this Policy.

Sec. 2.2. Application of Rates.

Copies of this Policy, including any rates herein, are open to public inspection and are available at SHAWSA's registered office in the City of South Haven. In no case may service be shared with another customer or transmitted off the premises to which it is delivered. Service taken at different premises shall be separately measured and billed.

Sec. 2.3. Application for Service.

- (a) *Personal Information Form.* Before any service is connected, a customer must submit the Personal Information Form, which shall be available at SHAWSA's registered office in the City of South Haven. This information will be placed on the customer's file and will remain confidential to the extent permitted by law.
- (b) *Existing Service.* A new customer requesting service at a property previously served shall apply at least 2 days before the service is to be transferred to their name. This customer may be required to make a service deposit under the guidelines listed below under "Security Deposits." New customers will be billed a "transfer fee" for each new account, the amount of which will be set by resolution of the SHAWSA Board and may be changed from time to time.
- (c) *New Service.*
 - (1) Residential: The customer is responsible for selecting the size of the service tap that is required. The "tap fee" is dependent upon the size of the service tap requested and may include the cost of installing the connection tap, the capacity charge, and inspection fees. All fees must be paid upon application for service and prior to the service being scheduled for installation. The customer may be required to submit a service deposit under the guidelines listed below in "Security Deposits."
 - (2) Rental properties: Upon request of the property owner, a copy of any shut-off notices will be sent to both the property owner and the tenant.

Sec. 2.4. Security Deposits.

- (a) Metered rate services are established upon order of the customer, without prepayment thereof, except that SHAWSA may, at its option, require:
 - (1) A service deposit for any new customer.
 - (2) A service deposit for current or previous customers that have been disconnected due to late or non-payment within previous 12 months, or if the customer has had 2 or more late penalties in the past year of service.
 - (3) A typical residential deposit will be the greater of: a) the amount equal to twice the amount of the highest bill for any and all services being requested over the last calendar year that the service was provided, or b) \$250 for water/sewer whichever is less.
 - (4) A typical commercial or industrial customer deposit will be the greater of: a) the amount equal to twice the amount of the highest bill for any and all services being requested over the last calendar year that the service was provided, or b) \$1000 for water/sewer whichever is less.
 - (5) SHAWSA may choose to waive the customer's security deposit if the customer signs up for the automatic payment program. A customer may provide an acceptable credit reference from another utility, provided that the customer presents a utility service history as recent as within the past 2 years. If the customer is a bona fide business, an acceptable credit reference from another utility must be in the business' name. A cash deposit may be required until receipt of the credit reference. Upon receipt of a satisfactory credit reference, the deposit will be returned in accordance with SHAWSA's refund policy.

- (6) If the service address is relocated, all past due amounts must be paid in full, plus an additional deposit, if required, before a new account at the new location will be placed in the customer's name.
- (7) Following a customer's 2nd returned check, SHAWSA will require cash payments (cashier's check or money order) for 12 months.
- (b) Except as provided in this subsection, the customer's security deposit will be returned as a credit to the account upon disconnection or after 12 months of service, whichever comes first. Any excess amount will be refunded to the customer. However, if disconnection occurs for one of the following reasons, the security deposit shall be forfeited:
 - (1) Non-payment of a delinquent account;
 - (2) 2 returned checks given for payment on the account; or
 - (3) 2 or more penalties noted on the account.
- (c) In case of bankruptcies, deposits will be credited to any outstanding account balances as of the court file date. New deposits will be required for post-petition balances according to the above and in conformance with bankruptcy laws.
- (d) If at any time, SHAWSA deems any service deposit to be inadequate in view of customer's credit history, the customer may be required to make additional deposits. Upon the failure to do so, SHAWSA shall have the right to terminate service to such customer.

Sec. 2.5. Resale of Service.

No customer shall resell the SHAWSA utilities to others. Rental properties, with the cost of utility service included in the rental as an incident of tenancy, will not be considered a resale of such services as defined herein. If the improper resale of utilities is occurring, SHAWSA or the agency having jurisdiction may design a main extension to the affected services as a special assessment project.

Sec. 2.6. SHAWSA Liability.

SHAWSA makes no guarantee or promise of uninterrupted service. Water and wastewater services are subject to shutdowns, variations, and interruptions necessitated by improvements, repairs, or operation of the system, either planned or unplanned. Whenever possible, notice of intent to temporarily interrupt service will be given to the customer.

Sec. 2.7. Disconnecting Service.

- (a) Property owners, residents, and authorized parties may request to temporarily shut off utility service for reasons of repair or maintenance. Temporary shut off will not terminate the charge for the monthly basic stand-by service fees.
- (b) SHAWSA is empowered, at its option, to remove all meters and to shut off all water or wastewater service to any customer at the expiration of its agreement with that customer, whenever any account of that customer is in arrears, upon violation of this Policy, or upon violation of building, plumbing, or other relevant codes. Disconnections will be made during normal business hours.
- (c) The customer is responsible for the payment of all bills rendered for their account until the customer has ordered disconnection and SHAWSA has had a reasonable time to affect such disconnection.
- (d) If a final bill is not paid in full within 30 days from the date of billing and a customer has another account in the same name, all payments received will be credited to past due accounts.
- (e) Any service account with a delinquent balance equal to or exceeding \$75, shall receive a shut off notice. Unless payment in full is issued or satisfactory arrangements have been reached, the account will be terminated.

Sec. 2.8. Reconnecting Service.

- (a) A charge, approved by the SHAWSA Board, which may be changed from time to time, will be assessed for utility reconnection when a disconnection has been made for the following reasons:

- (1) Non-payment of a delinquent account.
 - (2) Failure to post security deposit when required.
 - (3) Failure to comply with this Policy.
 - (4) Setting a meter and turn-on for existing service for a new customer.
 - (5) Shut off for non-compliance as ordered by SHAWSA or a state authority.
- (b) When restoration of such disconnected service, as outlined above, is requested after normal working hours an additional connection charge, as approved by the SHAWSA Board, which may be changed from time to time, will be assessed.

Sec. 2.9. Credits to Customer Accounts.

- (a) Whenever a credit is applied to any account, it will be made on the basis of the net billing.
- (b) Credits will only be issued if all SHAWSA requirements have been met and the propriety of a credit or refund is supported by a clear record.
- (c) The minimum refund amount is \$2.
- (d) No refund will be made to an account if more than 1 year has passed since the disconnection of service or since the date of discovery, whichever date comes first.

Sec. 2.10. Extra Expense Due to Overtime and Adverse Conditions.

A charge will be assessed when SHAWSA incurs extraordinary expense in performing customer services and when work is performed outside of regular working hours at premium rates, or on account of unfavorable weather conditions, snow or ice accumulations, inaccessible equipment, or other extenuating conditions not caused by action of SHAWSA.

Sec. 2.11. Access to Property.

Customer will provide access to SHAWSA or its authorized agents at reasonable hours to install, read, repair, or remove any devices and other property, or to inspect wiring, piping, fixtures, water shut-off valves, or any other devices that are in any way connected with SHAWSA's system. In cases of rental properties, it shall be the property owner's responsibility to gain proper entrance for SHAWSA personnel. Failure to provide access, when needed, is grounds for disconnection of service.

Sec. 2.12. SHAWSA Equipment Located on Customer's Property.

Where service requirements can best be met by the installation of SHAWSA equipment on the customer's property, such installation will be made in accordance with the best practice for such work. Equipment required to only serve the needs of the customer's property will not require an easement. Equipment necessary to serve more than the needs of the property will require an easement authorizing the installation of such equipment and shall define any special conditions for constructing, maintaining, and replacing such equipment.

The cost of revisions, removal, or replacement of utility facilities, requested by others, including the owner of the property, will be paid by the requesting party unless specifically provided by a separate agreement or the easement contract.

Sec. 2.13. Customer-Owned Equipment.

- (a) The customer shall be responsible for assuring that equipment used on any SHAWSA service is compatible with the characteristics of the SHAWSA system. The customer is responsible to secure from SHAWSA the characteristics of the service available (i.e. service voltage, pressure, etc.) for such use and should follow the rules, regulations, and codes governing the use and installation of such equipment.
- (b) SHAWSA reserves the right to disapprove the use of any customer-owned equipment in connection with the SHAWSA system, any wiring, plumbing, equipment, appliances, fixtures, motors, or any other devices that are presently in use or that are offered for use in connection therewith. Should any of the

same be disapproved, their use shall be disconnected at once, either permanently, or until corrective measures have been taken. Failure to comply with orders to discontinue the use of or to apply corrective measures to disapproved equipment shall be deemed just cause for the disconnection of all service until compliance is completed.

Sec. 2.14. Meters and Metering.

- (a) Customers shall be responsible for the cost of water meters, which SHAWSA will supply, through a non-refundable meter deposit. The cost shall be assessed through the customer's water account, in accordance with the meter deposit schedule.
- (b) All meters and metering equipment used in regular service shall be owned and maintained by SHAWSA. The customer will be responsible to identify characteristics for each type of service requested. SHAWSA will select the proper meter required for the customer load requirements requested.
- (c) As directed by and at no expense to SHAWSA, the customer shall provide a suitable space for the installation of SHAWSA's metering equipment, close to the point of the service entrance. This space shall be kept free and clear to provide easy access to the equipment for authorized persons.
- (d) The customer shall protect SHAWSA's metering equipment from damage, and in the case of water meters, from freezing, and shall permit no person, other than an agent of SHAWSA or a person authorized by SHAWSA, to remove, inspect, or tamper with the same. Should the metering equipment become damaged or destroyed through neglect of the customer, all costs of repair or replacement shall be charged to and payable by the customer. If meter tampering has occurred, SHAWSA may access a fee, in accordance with the schedule. Any person who has damaged a SHAWSA meter may be subject to penalties.
- (e) Upon proof of need, additional water meters may be installed, for an additional non-refundable meter deposit, where water consumption will not result in return to the sewer system (i.e. sprinkling systems). Such meters must be installed in approved locations, on the supply side of the main water and/or sanitary sewer meter serving such customers. All piping costs for additional meters will be borne by the customer.
- (f) Meters will be read and bills rendered monthly as nearly as possible. For the purpose of computing all bills rendered for utility service, the period between regular meter readings shall be deemed a month. Below is the billing due date listing:

WEEK NUMBER	MAIL DATE	DUE DATE
1	8	29
2	16	7
3	24	16
4	30	21

- (g) Whenever a meter reading is unavailable, the customer shall pay an estimated amount for service furnished during the billing period. This estimated amount is to be based upon the results of a test, a comparison to use of service during a similar period, upon both these methods, or by other known factors, as determined by SHAWSA.
- (h) If a meter error is discovered, and the duration of the error is not known, it shall be assumed to have existed for a period of half the time between the discovery of the error and the latest preceding accurate read or meter test but not for a period of more than 12 months.
- (i) SHAWSA tests its meters at random intervals for the mutual protection of the customer and SHAWSA. A customer may also request a meter test, for which a fee, approved by the SHAWSA Board, shall be

assessed and added to the customer's bill. The fee shall be waived if the result of the test shows a meter error of greater than 4%.

Sec. 2.15. Billing for Wastewater Services.

Wastewater service will be billed based on the amount of water consumption. Wastewater service, supplied without metering, will be billed at a flat rate as established by SHAWSA.

Sec. 2.16. Charges for new business extensions.

There may be a requirement for a financial contribution on the part of the customer or developer for line extensions serving new areas. Water and sewer extensions, within SHAWSA, may require the developer(s) to sign an agreement as required SHAWSA, prior to the commencement of construction of either of these facilities. Water and sewer extensions outside of SHAWSA, must meet the requirements of the agency of jurisdiction. Details for these charges will be found under the appropriate section for water or sewer.

Sec. 2.17. Charges for system improvements or relocations.

- (a) SHAWSA shall maintain its utility systems located in street or road rights-of-way or on accepted easements. In some cases, SHAWSA will also be responsible for utility system line extensions onto the customer property.
- (b) SHAWSA shall also be responsible for the cost of any system-improvement work it initiates and performs.
- (c) The requesting party shall be responsible for any system-improvement work requested when it is performed for the benefit of the requesting party. If new revenues will result from the improvement, these revenues may be applied for construction cost credits in accordance with the appropriate new business extension policy covered under that section for the appropriate policy.
- (d) Relocation of facilities in public streets and roads, which is required due to conflict with the construction of road improvements, will be performed at SHAWSA's expense. Relocation of utility facilities, either in the street or road right of way, or on private property, which is performed at the request of a party other than the street or road agency, will be performed at the expense of the requesting party.

Sec. 2.18. Billing of New Water and Wastewater Customers.

All customers will be billed from date of service, and monthly fixed fees will be prorated from the date service is established.

Sec. 2.19. Cumulative Billing.

SHAWSA will not allow cumulative billing.

Sec. 2.20. Due Dates for Payment.

The due date for utilities, to avoid delay payment charges, shall be 14 calendar days from the monthly billing date. If said due date falls on a weekend or holiday, the due date shall be extended to the next business day.

Sec. 2.21. Budget Plan.

SHAWSA shall maintain a budget program for qualified customers to assist in the payment of utilities. The budget program shall only be available after 6 months of service and proper payments have been established for the property. The customer's account must be current and in good standing. To request assistance from the program, a customer must enter into a written agreement, provided by SHAWSA, regarding the terms of the program. SHAWSA reserves the right to terminate its agreement for the program with any customer who does not comply with the terms therein.

ARTICLE III. WATER AND SANITARY SEWER

Sec. 3.1. Use of Service.

- (a) SHAWSA will maintain the right to inspect all water service connections and will maintain the right to inspect, for potential sources of contamination or cross connections, on any premises served by all water connections, on any property, regardless of location, for any premise served by the SHAWSA system.
- (b) All appropriate local, state, and federal regulations must also be met as they apply to installing, replacing, connecting, extending, or altering any piping, fixtures, or other appurtenances that are in any way connected with or served by the water or sanitary sewer systems of SHAWSA. The owner, or his or her properly licensed master plumber, is responsible for the taking out of all permits, rendering of all reports and the payment of all fees in conjunction with the property prior to connection to the water or sewer system. All such work is subject to inspection by SHAWSA, the agency of jurisdiction, or by any other inspector authorized by SHAWSA. It shall be the responsibility of the property owner to ensure that all applicable codes are met.
- (c) It is the intent of SHAWSA that water sold to all users be metered and billed at the rates as approved by the SHAWSA Board by resolution.

Sec. 3.2. Water and Sewer Taps.

- (a) Permits for connecting to water mains and sanitary sewer main lines shall be obtained from SHAWSA. Any connection to the public water or sewer mains, without the possession of a valid permit, will place the offender in violation of the SHAWSA Water and Sewer Use Ordinance and may be subject to fines and/or imprisonment as provided.
- (b) All connections to water mains or sanitary sewer lines shall be performed by SHAWSA or its authorized contractor.
- (c) The size of the water or sewer tap and the size of the water meter will be determined by the requesting party and will be the sole responsibility of the user. The type of meter and the specifications for providing the service connections to the mains will be the responsibility of SHAWSA.
- (d) The location of the service lead to the water main or sanitary sewer will be selected to minimize the cost of installing the connections and the service line costs. Final selection of the location for all connections will be at the discretion of SHAWSA.
- (e) Charges for service connections will be made in conformance to other sections of this Policy shall be as approved by the SHAWSA Board. All fees for the installation of new water and sewer connections will be paid in advance. SHAWSA reserves the right to return any fee so paid and refuse to install the connection and service requested for just cause.
- (f) Water and sewer service connections, which require pavement cuts in public streets or roads, will not be performed during the months of December, January, or February, without the written permission of the agency of jurisdiction.

Section 3.3. Availability fee.

- (a) A one-time availability fee may be levied for a new customer's water or sewer service, in an amount set by resolution of the SHAWSA Board, which is to be based on the REUs of the project. The availability fee shall be used to reimburse the appropriate agency for a proportional cost of the existing capital investments for those parts of the water and/or sewer system that provide service jointly to all users of the utilities. This fee shall be set by the SHAWSA Board and may be changed from time to time.
- (b) Property owners may pay the availability fee in installments over a period of up to 20 years at an interest rate of 6.5 percent, compounded annually. The Director of Public Works is authorized to sign such agreements on behalf of SHAWSA and any other subsequent agreements as may be necessary to transfer obligations to successors in interest. The administrative fee for the preparation and recording of these agreements is \$100, which must be paid by the property owner at the time the form is requested. Each permanent parcel receiving water or sewer service will require the preparation and recording of a separate agreement.

Sec. 3.4. Connection Fees.

- (a) The cost of connecting the service line to the water or sewer main line in the street or applicable easement, will be paid by the requesting party prior to the connection of the service line to the main line. These costs may be set by the SHAWSA Board. Charges for connections that are not established by a published fee schedule, will be charged on a time and material basis and will include the cost of material, labor, equipment and appropriate overheads as may be determined by SHAWSA. These costs will cover the installation of the connection to the main line for water or sewer and will include the extension of a service line lead to the street or road right of way limits or, in the case of water or sewer line on dedicated easements, to the limit of the dedicated easement, but not to exceed 33 feet.
- (b) At the discretion of SHAWSA, the requesting party may use their own contractor to install the connection to the main line. If the contractor is known to SHAWSA and has been approved, by SHAWSA, to install service connections, the requesting party may arrange to have the connection installed by an authorized contractor, at the customer's expense and avoid paying the connection fee to SHAWSA.
- (c) Property owners may pay the connection fee in installments over a period of up to 20 years at an interest rate of 6.5 percent, compounded annually. The Director of Public Works is authorized to sign such agreements on behalf of SHAWSA and any other subsequent agreements as may be necessary to transfer obligations to successors in interest. The administrative fee for the preparation and recording of these agreements is \$100, which must be paid by the property owner at the time the form is requested. Each permanent parcel receiving water or sewer service will require the preparation and recording of a separate agreement.

Sec. 3.5. Inspection Fees.

Each service connection request shall require payment of a flat rate fee, as recommended by the Board of Public Works and approved by SHAWSA that may be changed from time to time. This fee shall provide for the inspection of the connection to the customer's service line. If more than one inspection trip is required, SHAWSA may collect multiple inspection fees to cover the additional expense.

Sec. 3.6. Number of Services to One Property.

No more than one water or sewer service connection may be extended to serve a single premise. Properties that have one water or sewer line serving more than one building is acceptable so long as the buildings are on a single parcel of property. Should such a parcel split to provide separate parcels for each building, water and/or sewer service lines must be run to each property or building independently from its own shut-off at the street.

ARTICLE IV. CONSTRUCTION OF MAINS AND SERVICES

Sec. 4.1 Service Lines.

- (a) Water and sewer service leads, from the main line to the point of customer connection, shall be constructed in compliance with the current SHAWSA Standard Specifications for Water Mains, Sanitary Sewers, and Force Mains. Water and sewer service lines, beyond the point of customer connections, must be constructed to meet the provisions of the agency of jurisdiction and the State of Michigan.
- (b) Water service leads, installed by or under the specifications of SHAWSA, shall terminate with a shut-off valve either in a meter pit or adapted with a valve box in conformance to Standard Specifications for Water Mains, Sanitary Sewers and Force Mains. SHAWSA will be responsible for the maintenance of the water service lead from the main to the water shut off valve located at the property line at the limits of the street right of way or easement, and any easements must be approved by the Public Works Director of the agency of jurisdiction prior to connection to the system.
- (c) Sewer leads shall meet the requirements of SHAWSA Standard Specifications for Water Mains, Sanitary Sewers, and Force Mains. Sewer service lines, beyond the jurisdiction of SHAWSA, shall comply with the provisions of the agency of jurisdiction or the State of Michigan. SHAWSA is responsible for the sewer main in the street and service laterals to the generally accepted right-of-way line. Each customer is responsible for normal maintenance (e.g., cutting or jetting) of their sewer lateral

from the house to the main. In the event of a stoppage, all sewer lines and drains on the property are the homeowner's responsibility and a plumber should be contacted. The event a blockage is found within SHAWSA's jurisdiction, the plumber shall immediately notify SHAWSA while the rods, cutter, or camera are still in the sewer line to verification if the cause of the stoppage is due to structural failure of the pipe. At that point SHAWSA will determine if permanent repairs are necessary.

- (d) Water and sewer connections, which have been previously disconnected, for any reason, may be reinstated if they meet the current standards for service as determined by SHAWSA. The charge for reinstating any water or sewer service, which has been previously disconnected, will be the lesser of the back stand-by charge plus the costs for reinstating the service or the cost of a new service tap.

Sec. 4.2. Enlarging or Relocating Water and Sewer Connections.

- (a) The fee for replacing a smaller water or sewer connection and service pipe with a larger one, or for the purpose of relocating the service, shall be the same as the fee for a new tap and service, plus the cost of retiring the connection and service being replaced. No credit will be allowed for any materials that may be recovered from the replaced service. This fee shall be borne by the customer.
- (b) Prior to a street reconstruction or paving replacement, SHAWSA may, at its option, extend a suitable water or sewer service pipe to the limits of the street right of way in front of each abutting property that does not currently have service lines. The owner of the property may be charged with the appropriate fees that are applicable for such installation. If the fees are not paid upon installation, they must be paid in full before service may be taken from the connections so provided.
- (c) SHAWSA shall in no way be held liable for failure to extend any water supply service in this manner preceding paving or repaving.

Sec. 4.3. Water Mains and Sanitary Sewer Lines.

- (A) All water mains and sanitary sewer mains, constructed to serve more than one building, shall be constructed in conformance to SHAWSA Standard Specifications for Water Mains, Sanitary Sewers, and Force Mains and shall be permitted by the State of Michigan Department of Environmental Quality. Water mains and sanitary sewer systems, not constructed by SHAWSA, will be constructed under the Utility Construction and Development Agreement, within SHAWSA and in accordance to the provisions of the agency of jurisdiction.
- (B) Subject to the conditions above, water or sewer mains may be extended into areas then not provided with water or sewer mains for the purpose of supplying fire protection and normal water and/or sewer service to the residents and property owners of such areas, provided:
 - (1) That the water, sewer treatment, or pumping facilities are ample and adequate to supply the additional quantities and quality of service at pressures and rates of flow, that are anticipated as being required to properly supply the new area.
 - (2) That the transmission, feeder, and distribution mains, which will be called upon to carry water or sewer flows to serve the new area, are sufficient in size and capacity to do so without in any way deteriorating the service to those presently connected and served by such mains.
 - (3) That such water or sewer main extensions will be made only in publicly controlled right of ways or approved easements provided for public utilities.
 - (4) SHAWSA may allow sub-dividers to extend water mains in privately owned streets by resolution requiring for an agreement.
- (c) It is the purpose of this section to prohibit the installation of water mains on privately owned properties with any part of the cost of such water mains being paid for by SHAWSA. Extensions to supply fire protection service in factory yards and to supply water or sewer service to properties built in off-street areas with private or semi-private entrance drives are also prohibited.
- (d) This policy does not apply to water main extensions to be made outside of the corporate limits of SHAWSA of South Haven. Developments outside of SHAWSA of South Haven must meet the requirements of the area of jurisdiction at that location.

ARTICLE V. WATER

Sec. 5.1. Metering.

- (a) Water meters shall be installed on the customer's property in a location acceptable to SHAWSA. Inside meter locations shall have remote reading devices attached. Remote indexes must have a location on the outside of the building with acceptable access for reading. No water meters shall be installed in basements, cellars, or pits that are not equipped with approved access ladders or stairs or which may be classified as a confined space as defined by the Michigan Occupational Safety Act. Water meters shall be accessible to SHAWSA at all times.
- (b) Where applicable, the meter will be installed in a meter pit provided by SHAWSA. The customer will be responsible for installing the meter pit and meter housings, in accordance with SHAWSA's specifications. Large size meters may require custom meter pits that shall be provided by the customer. Such meter housings must be approved by SHAWSA.
- (c) Minimum clearances must be maintained between the back wall and wall side edge of meters being installed. There must also be a minimum clearance of 6" from the bottom of each meter to the floor and a maximum height of 48" from the floor.
- (d) The following clearances must be maintained for proper installation of water meters.

Meter Size	Wall Clearance	Floor Clearance	Max
	Minimum	Minimum	
5/8 x 3/4"	4"	6"	48"
3/4"	5"	6"	48"
1"	6"	6"	48"
1-1/2"	7"	6"	48"
2"	8"	6"	48"
4"	10"	6"	24"
6"	12"	6"	24"
8"	14"	6"	24"

When a meter by-pass is installed, there must be a 16" clearance maintained between the meter and the bypass. No by-pass can be installed on the front side of meter. The area below or behind the meter is the preferred location for a by-pass.

The customer will be responsible for damage to water meters caused by improper meter protection.

Sec. 5.2. Service Lines.

- (a) The customer is responsible for selecting the size of water service to meet their requirements. The customer's service pipe size shall not exceed the pipe size of the water main to which it is connected. The minimum size of water main connection installed by SHAWSA is 1" in diameter. If warranted, the customer's service pipe can be smaller than the service from the main, upon the approval of SHAWSA.
- (b) Where a water service pipe passes through a basement, cellar, pit, or manhole wall, or through a masonry floor, it shall be provided with an approved sleeve, properly joined and pointed with the masonry and thoroughly caulked with a suitable caulking mixture to form a good workmanlike protection for the pipe.
- (c) Where the pipe enters through the floor the sleeve shall extend above the finished surface of the floor for a distance of not less than 4 inches.
- (d) All water systems and services are required to be electrically continuous, as per SHAWSA's standards. Each pipe or fitting shall be electrically bonded to the adjacent pipe or fitting. The use of the water service lines for grounding of building electrical circuits shall be done only in conformance to all local, state, and federal regulations including the National Electric Safety Code. Any person who removes such ground connection for work in or about the plumbing or electrical system of the building shall be responsible for taking proper safeguards against the hazards involved and shall, upon completion of

his or her work, be responsible for reestablishing such connections in accordance with all regulations.

- (e) Water service pipes shall be terminated with an approved valve in an approved frost proof basements, cellars, pits or manholes.

Sec. 5.3. Unauthorized Use.

- (a) Under the conditions stated herein, SHAWSA will provide a water connection and a service line with an accessible shut off valve at the point of connection between the service lead and the customer's service line. Water connections, for customer use ahead of the water meter, are prohibited. Water connections for domestic use are prohibited from private fire protection systems.
- (b) All connections for water supply to fountains, irrigation systems, and area sprinkling systems, or to any type of continuous flowing, or automatically controlled device, shall be made only on premises where the entire supply of water is furnished through water meters, exceptions must be specifically authorized by SHAWSA.
- (c) SHAWSA-supplied water may not be used to supply the thermal requirements of heat pumps used for space heating. Untreated water from heat pumps shall not be discharged to the sanitary sewer.

Sec. 5.4. Fire Protection Systems.

- (a) Commercial and industrial water users, who require fire prevention systems, may size their service tap to handle both the fire requirements and the consumption requirements. The water meter will be installed on a separate line, tapped off the water service inside the customer's premises. Water lines, dedicated to fire protections systems only, will not be metered.
- (b) Buildings, currently served, which add a service for fire protection, will pay the cost of the connection and the inspection fees. Dedicated fire service lines will not pay a stand-by charge and will not be metered.

Sec. 5.5. Water Leakage.

No water customer shall permit their water supply pipes, connections, or fixtures to be out of repair so that water leakage can occur. Water leaks that occur on the customer's property ahead of the meter must be repaired as soon as practicable upon discovery. Failure to do so may result in disconnection of service. SHAWSA may charge a customer an estimated amount for water wasted, because of the leak, if not repaired in a reasonable time.

- (a) Leakage allowance:

- (1) Underground leaks:

Allowance for underground service pipe leaks or leaks in crawl spaces or concrete floors (but not leaks in underground irrigation systems) will be 75% of the charge for wastewater estimated from the beginning date of the leak to the date of repair, which period shall not exceed two regular reading periods unless extended by missed readings. SHAWSA or its agent shall inspect the premises to determine the cause of the leak. Wastage will be considered as the excess consumption over normal usage, obtained by reference to the customer's consumption record. If there is no consumption record, the average consumption for the previous calendar year for the appropriate customer classification will be used as the normal consumption. An adjustment will be given only after the customer has corrected the condition causing the leak and the premises has been inspected by the Department to determine the repairs have been properly made.

- (2) Other types of hidden leaks:

Allowance for other types of hidden leaks (but not leaks in underground irrigation systems) will be 50% of the charge for wasted water. The period adjusted shall not exceed one regular reading period unless extended by missed readings. Such allowance will be considered only one time per customer per service address, per calendar year, and only when all the following conditions exist:

- a. Consumption is at least double normal usage;
- b. Consumption is at least 2,000 cubic feet more than normal;

- c. Total consumption for the reading period exceeds 2,800 cubic feet;
- d. Circumstances indicate that a leak exists or had existed;
- e. The leak shall have been hidden from open view, including toilet leaks and other concealed plumbing leaks; and
- f. Repairs have been made.

Wastage will be determined as indicated in subsection (1) Underground Leaks. An adjustment will be given only after the customer has corrected the condition causing the leak to the Department's satisfaction.

(3) Sewer credits related to underground leaks:

A credit will be granted for 100% of the charge for sewer, which can be documented as to not having entered the sanitary sewer system. No sewer credit will be issued for water leaks that have entered the sanitary sewer system. Credits will be estimated from the beginning date of the leak to the date of repair, which period shall not exceed two regular reading periods unless extended by missed readings. If there is no consumption record, the average consumption for the previous calendar year for the appropriate customer classification will be used as the normal consumption. An adjustment will be given only after the customer has corrected the condition causing the leak and the premises has been inspected by SHAWSA to determine the repairs have been properly made.

Sec. 5.6. Cross Connections.

- (a) SHAWSA is required by state law to maintain a control program for the elimination and prevention of all cross connections. A cross connection is described as a connection or arrangement of piping or appurtenances through which a backflow, or water of questionable quality, may be entering the public water system. This program requires a regular inspection of all water utility customers' premises for possible cross connections.
- (b) All lawn irrigation systems, regardless of location, shall be protected against backflow by equipment that meets the requirement of state and local plumbing codes.
- (c) All water customers shall be inspected and re-inspected for the proper use of safe air gaps or required protective devices. SHAWSA may require certified documentation of annual testing and maintenance of back flow and cross connection protection equipment, as provided by SHAWSA control program, for elimination and prevention of all cross-connections. The application and installation of all cross-connection measures shall meet the requirements of SHAWSA.

Sec. 5.7 Curb Boxes

No unauthorized person shall open or attempt to open any curb or gate box. No unauthorized person shall cover or conceal any curb or gate box. At any time it is desired to change the surface grade near any curb or gate box, SHAWSA shall be given proper notice so that the box grade may be changed to correspond.

Sec. 5.8. Operation of Fire Hydrants.

- (a) *Private Hydrants.* The operation by the owner of privately owned fire hydrants for other than firefighting purposes is prohibited except when any one of the following requirements is met:
 - (1) Written permission is obtained from SHAWSA;
 - (2) Verbal permission is obtained by SHAWSA not less than 12 hours prior to actual hydrant operation; and
 - (3) Arrangements are made to have a SHAWSA representative present during operation.

In all cases, a properly sized hydrant wrench must be used.

- (b) *SHAWSA Hydrants.* SHAWSA fire hydrants shall be operated only by authorized personnel of a constituent community's fire department, department of public works or similar agency, or such others as may be authorized by SHAWSA.

- (c) *Water*. When hydrant water is requested, on a temporary basis, for construction purposes, special events, etc. and other means of obtaining water is not readily available, application may be made to SHAWSA for use of water from an existing fire hydrant. Rates for such use are established in Appendix #1. Water use will be authorized after installation of a meter, proper backflow prevention, and sill cock attachments. Only SHAWSA personnel shall turn the hydrant on. Upon completion of the temporary need for water use, SHAWSA personnel will close the hydrant, check for proper "drain back," and remove the meter.
- (d) *Rates*. Charges for temporary use of hydrant will be collected as prescribed by the rates approved by the SHAWSA Board.
- (e) *Multiple Locations*. If more than one location is required, the same meter will be relocated and the above rate will apply to such location and installation.

Sec. 5.9. Use of shut off keys.

No unauthorized persons are permitted to use operating wrenches, curb stop keys, or gate keys on any curb stop, gate valve, or fire hydrant.

Sec. 5.10 Cleaning of Service Pipes.

When water customers experience low pressure or stoppage of flow SHAWSA shall take steps to restore proper service. When advised by SHAWSA, the customer must take the necessary precautions to prevent drainage to the customer's property. SHAWSA shall not be liable for any damage resulting from such cleaning of the water service.

Sec. 5.11. Excess Pressure.

No person shall use any pump, ram, or other device or any piping system connected with the water piping system, which is capable of producing a pressure in excess of the normal water pressure unless a representative of SHAWSA is present and is in direct charge of the work.

Sec. 5.12. Emergency Water Use Restrictions.

During periods when the use of public water approaches the capacity of the public water system or the supply of public water is threatened due to a failure of any part of the water supply system, SHAWSA may declare a water use restriction. Any such action will be done in compliance with the SHAWSA Water and Sewer Use Ordinance.

Sec. 5.13. Payment and Use of Water.

Water sales, to the customer, shall be used for only the purposes permitted at the time of sale.

Sec. 5.14. Multi-Unit Residential Metered Services.

Multi-family residences or apartments will have an option of individually metering each residential unit. Owners shall be responsible for the maintenance and payment of plumbing for meters, supplied by SHAWSA.

Sub-metering for the purpose of resale of water is prohibited. Sub-metering installed for the benefit of the customer is optional. Plumbing for meters, other than those owned by SHAWSA for billing purposes, will be the responsibility of and paid for by the owner. SHAWSA cannot sell water meters for private use.

ARTICLE VI. SEWER

Sec. 6.1. Metering.

Sewer service will be measured by the volume of water metered through the water meter as provided by the current rate schedule as approved by the SHAWSA Board. These rates may be changed from time to time. Sewer use, for those accounts that do not have water service, will be measured on a flat rate basis. Flat rate customers will be billed according to the number of REUs.

Sec. 6.2. Service Lines.

- (a) The customer is responsible for selecting the size of the sewer service line and the connection to the

sanitary sewer main in the street. The customer's service line shall not exceed the size of the sewer line in the street. The minimum size of sewer connection provided by SHAWSA will be 4" in diameter. If warranted, the customer's service line may be smaller, but not larger, than the service connection from the street.

- (b) Sanitary sewer services shall be constructed to match the sanitary sewer connection provided by SHAWSA. Sewer services shall be constructed to prevent infiltration of ground water. Service clean-out provisions should be provided at each point of change of direction and at intervals of not to exceed 100 feet.
- (c) SHAWSA mains are at various depths throughout SHAWSA territory. It is the customer's responsibility to determine the depth of the sanitary sewer line in the street prior to establishing the grade for the sewer service line. SHAWSA cannot be responsible for sanitary sewer lines in the street to be at a depth to provide service below all basement levels.
- (d) It will be the responsibility of the customer to maintain the sewer service line from the building to the sanitary sewer main in the street.
- (e) SHAWSA shall not be responsible for any expenses incurred by the property owner in removing stoppages service lines. Only when the structural integrity of the sewer line has been compromised in the right-of-way will SHAWSA assume responsibility.
- (f) Damage to the connection of the sewer service line to the sanitary sewer main line shall be reported to SHAWSA. Only authorized representatives of SHAWSA shall make repairs or replacements relating to the service line segment located in the right-of-way or to the main sewer line. The decision as to whether to repair or replace infrastructure for which SHAWSA is responsible shall be in SHAWSA's sole discretion. As a general matter, SHAWSA will address root intrusion by rodding the line, and will only replace sewer infrastructure components if they are no longer structurally sound.

Sec. 6.4. Unauthorized Use.

- (a) In no case shall sanitary wastewater be discharged to a storm water sewer system. All wastewater from any building, excepting footing drains, must be discharged to the sanitary sewer system. Footing drains must be separated from floor drain or any other building water discharge.
- (b) Connections made to the sanitary sewer lines in the street, without permitted authorization of SHAWSA, are prohibited. Discharge of items not in conformance to the SHAWSA Water and Sewer Use Ordinance are prohibited.
- (c) Sewer connections to septic tanks, privy vaults, outhouses, cesspools, or to any source of prohibited waste to SHAWSA sanitary sewer system are prohibited.
- (d) Non-domestic water, such as surface water, down spouts, or footing drains, shall not be discharged into the sanitary sewer system.
- (e) Discharge of any pollutant or wastewater in violation of SHAWSA Ordinance, are prohibited.

Sec. 6.5. Permits.

All commercial or industrial applicants will be required to submit a non-domestic use questionnaire. SHAWSA may require from any non-domestic wastewater discharge customer, the issuance of a Discharge Permit, where in the discretion of the WWTP administration; there is the need to monitor the wastewater discharge for the presence of pollutants, which may threaten the quality of the WWTP receiving waters.

ARTICLE VII. FINANCE

Sec. 7.1. Application of this Article.

This article applies to contracts for procurement of supplies, services, and construction, entered into by SHAWSA, unless otherwise provided for in this article. It shall apply to every expenditure of public funds by a public agency for public purchasing irrespective of its source. When a procurement involves the expenditure of federal assistance or contract funds, it shall be conducted in accordance with any federal law and regulation. No procurement contract shall prevent any public agency from complying with the terms and conditions of any grant, gift or bequest, which are otherwise consistent with law.

Sec. 7.2. SHAWSA purchasing manager--Appointment.

The purchasing manager shall be responsible for the purchase and sale of all SHAWSA property, and the purchasing manager shall be appointed and designated as such by the SHAWSA Board.

Sec. 7.3. Same--Powers and duties.

The purchasing manager shall have the following powers and duties:

- (a) Bulk purchases. Exploit the possibilities of buying in bulk so as to take full advantage of discounts.
- (b) Encourage competition. Endeavor to obtain as full and open competition as possible on all purchases and sales.
- (c) Federal tax exemptions. Act so as to procure for SHAWSA all federal tax exemptions to which it is entitled.
- (d) Forms. Prescribe and maintain such forms as are reasonable and necessary for the operation of this article.
- (e) Minimize expenditure. Act to procure for SHAWSA the highest quality in supplies and contractual services at the least expense to SHAWSA.
- (f) Purchasing analysis. Keep informed of current developments in the field of purchasing, prices, market conditions, and new products in the field of purchasing by other governmental jurisdictions, national technical societies, trade associations having national recognition, and private businesses and organizations.
- (g) Rules and regulations. Establish and amend, when necessary, all rules and regulations authorized by this article and any others necessary to its operation.
- (h) Vendor's catalog file. Prepare, adopt, and maintain a vendor's catalog file. The catalog shall be filed according to materials and shall contain descriptions of vendors' commodities, prices, and discounts.
- (i) Disqualification of bidders. Have the authority to declare vendors who default on their quotations irresponsible bidders and to disqualify them from receiving any business from SHAWSA for a stated period of time.
- (j) Cooperation with SHAWSA. Cooperate with SHAWSA so as to secure for SHAWSA the maximum efficiency in budgeting and accounting.
- (k) Other. Perform other duties as may be designated by the SHAWSA Board.

Sec. 7.4. Purchasing committee; creation, duties.

- (a) The purchasing committee is an administrative committee created by SHAWSA.
- (b) The duties of the purchasing committee shall include but not be limited to:
 - (1) Preparation and/or review of plans and specifications for the purchase of any materials, supplies, or services.
 - (2) Opening and review of bids.
 - (3) Providing recommendations, tabulations, and any other information helpful to SHAWSA's decision making.
 - (4) Providing a recommendation designating the lowest responsible bidder for all purchases requiring SHAWSA approval.
 - (5) Determining that adequate funds are budgeted and available and further specifying the account number to be charged.
 - (6) Serving in an advisory capacity on all questions of purchasing policy and practices.

Sec. 7.5. Contracts.

All contracts must be approved by SHAWSA's purchasing manager and SHAWSA's attorney as to form.

Sec. 7.6. Surplus stock.

All agencies shall submit to the purchasing manager, at such times and in such form as the purchasing manager shall prescribe, reports showing stocks of all supplies that are no longer used or that have become obsolete, worn out or scrapped.

- (a) Sale. The purchasing manager shall have the authority to sell all supplies that have become unsuitable for public use, or to exchange the same for, or trade in the same on, new supplies to conduct an auction for sale of items. Sales under this section shall be made to the highest responsible bidder.
- (b) Sales procedure. Sales shall be made by the same procedures regulating purchases.
- (c) Transfer. The purchasing manager shall have the authority to transfer surplus stock to other agencies.

Sec. 7.7. Collecting accounts.

The SHAWSA attorney is authorized to commence and carry on actions in all courts for the purpose of collecting accounts owed to SHAWSA.

Sec. 7.11. Purchases--Over \$25,000.

- (a) All contracts and purchases involving \$25,000 or more must be approved by the SHAWSA Board.
- (b) Except as provided in subsection (d) of this section, for purchases of services and supplies equal to or in excess of \$5,000 but under \$20,000, competitive bidding shall be required; provided that the SHAWSA Board, by unanimous resolution of those members present at a meeting, may determine that it would not be advantageous to require competitive bidding with respect to a particular purchase and may dispense with the requirements for competitive bidding and sealing bids in such case.
- (c) Except as provided in subsection (d) of this section, all purchases of services and supplies for \$20,000 or more shall require competitive bidding.
- (d) Competitive bids shall not be required for:
 - (1) Professional services.
 - (2) Emergency purchases of repairs, supplies and services in accordance with section 7.19 regarding emergency purchases.
 - (3) All kinds and types of insurance.
 - (4) Any contract, agreement, or arrangement, or renewal thereof, for the purchase of electricity at wholesale from a governmental unit or agency of a governmental unit, an authority, a private or public cooperative or association, a public utility or other entity.
- (e) The requirements for competitive bidding shall not apply to intergovernmental agreements or purchases, sales, or other transfers of property involved in such contracts.
- (f) The requirements for competitive bidding shall not apply where a construction, renovation, or repair project or service can be and is to be provided by SHAWSA personnel.
- (g) No purchase shall be divided for the purpose of circumventing the dollar limitations contained in this section.
- (h) The invitation to bid will be advertised once in a newspaper of general circulation within the SHAWSA jurisdiction or other general publications stating the necessary information to permit bids to be made. Notice inviting the bids shall be published at least 5 working days preceding the last day set for the receipt of proposals. The newspaper notice may include a general description of the supplies or services to be purchased and shall state whether and where the bid blanks and specifications may be obtained and the time and place of opening bids. SHAWSA shall reserve the right to reject any and all

bids submitted, and such right of rejection shall be included with any notice of request for bids.

Sec. 7.12. Determining best bid.

Purchases shall be made from the lowest competent bidder whose bid is most advantageous to SHAWSA. SHAWSA has the right to accept or reject any and all bids in its discretion, including the lowest bid, if a determination is made that the lowest bidder is not competent to satisfactorily complete the project in question at the proposed bid price. In determining which bidder is the most responsible bidder, SHAWSA may consider the following:

- (1) The ability, capacity, and skill of the bidder to perform the contract or provide the service required.
- (2) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
- (3) The character, integrity, reputation, judgment, experience, and efficiency of the bidder.
- (4) The quality of performance of previous contracts or services of the bidder.
- (5) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or services.
- (6) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.
- (7) The quality, availability, and adaptability of the supplies or contractual services to the particular use required.
- (8) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
- (9) The number and scope of conditions attached to the bid.
- (10) If the bidder is a local vendor who may be able to provide services more efficiently or provide local jobs.

Sec. 7.13. Bid by person in default.

SHAWSA shall not accept the bid of a contractor who is in default on payment of taxes, licenses or other monies due to any agency of jurisdiction, nor shall SHAWSA award any contract to a person who is in default on the payment of taxes, licenses, or other monies due the agency of jurisdiction. Each bidder must certify that they are not in default to the agency of jurisdiction as set forth in this section.

Sec. 7.14. Bid deposits.

When deemed necessary by the purchasing manager, bid deposits and/or performance bonds shall be prescribed in the public notices inviting bids. A successful bidder shall forfeit any bid deposit required by the purchasing manager upon failure on the bidder's part to enter a contract within the time specified after the award.

Sec. 7.15. Bid opening procedure.

- (a) Opening. Bids shall be opened in public at the time and place stated in the public notices.
- (b) Sealed bids. Bids shall be submitted sealed to the purchasing manager and shall be identified as bids on the envelope.
- (c) Challenge. Any challenge to the specifications, bidding requirements, or qualifications of bidders shall be made prior to the opening of bids, otherwise they will be considered to be waived.

Sec. 7.16. Appropriation sufficiency.

Prior to the approval of any purchase by SHAWSA, the purchasing manager shall check to make sure that an appropriation has been made for the purchase, that a sufficient unencumbered balance remains in the appropriation for the purchase, and that funds will be available to cover the claim or meet the obligation when it becomes due and payable.

Sec. 7.17. Purchases through state bid contracts.

Whenever SHAWSA purchases items from a state bid contract or SHAWSA-approved cooperative purchasing programs, the provisions of section 7.11 shall be deemed to have been complied with.

Sec. 7.18. Purchasing order.

SHAWSA's purchasing order shall be initiated by the purchasing manager and forwarded to the vendor on all items purchased or contracted under the authority of sections 7.11 to 7.14.

Sec. 7.19. Emergency purchases.

In case of an emergency that requires immediate purchase of supplies or contractual services, the purchasing manager shall be empowered to purchase on the open market, at the lowest obtainable price, any necessary contractual services or supplies. A full report of the circumstances of any emergency purchase shall be filed with the SHAWSA Board within 15 days after such purchase and shall be entered in the minutes.

Sec. 7.20. Public improvements.

No purchased public improvement costing more than \$25,000 shall be contracted for or commenced until estimates, drawings, profiles and specifications, where appropriate, have been submitted to SHAWSA by the group manager, public works, and engineering.

Sec. 7.21. Cooperative purchasing.

The purchasing manager shall have the authority to join with other units of government in cooperative purchasing plans when the best interest of the city would be served thereby, upon the approval of the SHAWSA Board.

Sec. 7.22. Payment to the contractor.

No compensation shall be paid to any contractor except in accordance with the terms of the contract.

Sec. 7.23. Change order approval procedure.

- (a) The SHAWSA Board shall have the authority to execute the following capital construction project change orders:
 - (1) Change orders that result in a reduction in cost but do not alter the general scope of the project.
 - (2) Change orders in emergency situations as provided in section 7.19.
 - (3) Change orders within the budget of a capital construction project that result in an additional contract amount if the accrued cost of all change orders to date relative to that contract do not exceed a 10% increase of the original contract amount, provided the general scope of work is not altered.
- (b) All change orders not included in subsection (a) of this section shall be effective only after prior approval of the SHAWSA Board. If such approval is given, the purchasing manager is hereby authorized to execute the change orders.

Sec. 7.24. PILOT Procedure and Methodology.

- (a) On or before June of each year, the Director shall calculate and present to SHAWSA a proposed payment in lieu of taxes (PILOT) to be made from the Water & Sewer Fund to the City of South Haven general fund.
- (b) The proposed PILOT shall consist of the following three components:
 - (1) 5.4% of the water & sewer fund's average annual gross revenue in three immediately preceding fiscal years;

- (2) An annualized share of the estimated future replacement cost of the portion of the Department of Public Works ("DPW") building at 1199 8th Avenue, occupied by water & sewer personnel. For purposes of calculating the annualized share of the future replacement cost of the DPW building as a whole, the Director and the City Assessor shall assume that the building will be replaced in 2052 (50 years after its construction) at the cost of \$23,726,291, with a payment annually in the amount of \$151,898; and
- (c) The PILOT paid pursuant to this section shall be the sole amount transferred from the water & sewer fund to the general fund in any given year.
- (d) The methodology provided in this section shall be amended at such time as the DPW building is replaced or the debt service on the DPW building is paid in full.

EXHIBIT A

WATER SERVICE TURN ON/OFF FEES

Read & Change Water:

Utilities are switched to a new name without interruption in service. A new person is charged

Fee: \$25.00

Turn On/Off Water:

Utilities are requested to be turned on or off any reason. The customer is charged.

Normal working hours: \$25.00

After hours: \$50.00

Turn On Winter Return Water:

Utilities we shut off in fall for winter and customer is asking for them to be turned back on. The customer is charged.

Normal working hours: \$25.00

After hours: \$50.00

Turn On Non Pay:

Utilities were shut off for non-payment and customer pays to turn them back on

Normal working hours: \$50.00

After hours:\$100.00

Turn Off for Cross-Connection Control Program Noncompliance

Utilities are turned off due to noncompliance with the SHAWSA CCCP

Flat Rate Fee: \$50

Reimbursement Fee:

SHAWSA may charge a fee providing for full reimbursement of any expenses incurred as a results of cross connection, user tampering, or other violations of SHAWSA's water and sewer use ordinance.

Notes:

- **Normal business hours are 8 am to 2 pm except for holidays**
- **Fees will be assessed per meter.**
- **In the case a delinquent turn off the fee will be accessed once the work order is issued.**

EXHIBIT A

**SHAWSA, MI
Water Department**




Forecasted 2025 with 4.5% Proposed Rate Increase

			Current Rates	Proposed 2025
	Commodity Rate Inside	Rate - 1st 25 CCF	\$3.500	\$3.750
		Rate - 26 to 249 CCF	\$3.500	\$3.750
		Rate - Over 250 CCF	\$3.500	\$3.750
	Commodity Rate Outside			
		Rate - 1st 25 CCF	\$3.500	\$3.750
		Rate - 26 to 249 CCF	\$3.500	\$3.750
		Rate - Over 250 CCF	\$3.500	\$3.750
Inside City				
	5/8"		\$ 42.25	\$ 43.50
	3/4"		42.25	43.50
	1"		60.00	62.00
	1.5"		109.00	112.00
	2"		156.50	161.00
	3"		260.00	268.00
	4"		422.00	435.00
	6"		649.00	669.00
	8"		974.00	1,000.00
Outside City				
	5/8"		\$ 38.00	\$ 39.15
	3/4"		38.00	39.15
	1"		54.00	55.80
	1.5"		98.25	100.80
	2"		141.00	144.90
	3"		234.00	241.20
	4"		380.00	391.50
	6"		585.00	602.10
	8"		877.00	900.00
Overall Increase				4.5%

Proposed 2025 Rates go into effect July 1, 2024

EXHIBIT B

SHAWSA, MI			
Sewer Department			
Forecasted 2025 with 6.9% Proposed Rate Increase			
		Current Rates	Proposed 2025
	<i>Commodity Rate</i>	\$5.760	\$6.360
Inside City - Customer Charge			
	5/8"	\$ 41.75	\$ 43.25
	3/4"	41.75	43.25
	1"	55.75	58.00
	1.25"	83.00	86.00
	1.5"	118.00	122.00
	2"	175.00	181.00
	3"	270.00	279.50
	4"	432.00	447.00
	6"	674.00	698.00
Outside City - Customer Charge			
	5/8"	\$ 31.25	\$ 32.44
	3/4"	31.25	32.44
	1"	41.75	43.50
	1.25"	62.00	64.50
	1.5"	89.00	91.50
	2"	131.00	135.75
	3"	202.00	209.63
	4"	324.00	335.25
	6"	506.00	523.50
Overall Increase		6.9%	

Proposed 2025 Rates go into effect July 1, 2024

EXHIBIT D

RESIDENTIAL EQUIVALENT UNIT (REU) SCHEDULE

<u>Occupation or Use</u>	<u>Units</u>	<u>Unit Factor</u>
1 Single Family Residence (four of less bedrooms)	1.0	Per residence
2 Single Family Residence (more than four bedrooms or more than four toilets)	1.0	Per residence plus 0.25 for each bathroom or toilet in excess of four ^{1, 2}
3 Auto Dealers (New and/or Used)	1.0	Per premise plus 0.25 per 1,000 sq ft of building including service area
4 Auto Repair/Collision	1.0	Per premise plus 0.25 per 1,000 sq ft of building
5 Auto Wash (Coin Operated, Self Service, 10 gallons or less per car)	1.0	Per Stall
6 Auto Wash (Mechanical, over 10 gallons per car, non-recycled water)	10.0	Per stall or production line including approach and drying area
7 Auto Wash (Mechanical, over 10 gallons per car, recycled water)	5.0	Per stall or production line including approach and drying area
8 Bar	4.0	Per 1,00 sq ft
9 Barber Shop or Beauty Salon	1.0	Per shop plus 0.1 per chair for each chair in excess of two
10 Bowling Alley (no bar)	1.0	Per premise plus 0.02 per alley
11 Church	0.25	Per 1,00 sq ft (minimum of 1.0)
12 Cleaner (drop-off & pick-up only)	1.0	Per premise

13	Cleaner (cleaning & pressing facilities)	1.0	Per premise plus 0.5 per 500 sq ft
14	Clinic (medical or dental)	1.0	Per premise plus 0.5 per exam room
15	Convalescent or Boarding Home	1.0	Per premise plus 0.25 per bedroom
16	Convent	1.0	Per premise plus 0.25 per bedroom
17	Country Club or Athletic Club	1.5	Per 1,000 sq ft of clubhouse plus restaurant, bar, and pro shop as retail store to be calculated separately
18	Factory (office and production) plus wet process wastewater	0.75	Per 1,000 sq ft based on metered sewage flow
19	Funeral Home	1.5	Per 1,000 sq ft plus attached residential use to be calculated separately
20	Grocery Store and/or Super Market	1.0	Per premise plus 0.8 per 1,000sq ft
21	Hospital	1.1	Per bed
22	Hotel or Motel	0.4	Per room or suite, plus restaurant and bar to be calculated separately
23	Laundry (self service)	1.0	Per premise plus 0.5 per washing machine
24	Two Family Residential	1.0	Per unit
25	Mobile Home (free standing)	1.0	Per unit
26	Mobile Home (park or subdivision)	0.8	Per pad or site plus laundry, community building, and office to be calculated separately

27	Marina	0.6 1.0	Per space 25 ft or less in length Per space over 25 ft in length
28	Multi-Family Residence (duplex, row house, or townhouse)	1.0	per building plus 0.8 per each dwelling unit in excess of one
29	Apartments (with laundry facilities in each unit)	1.0	per building plus 0.8 for each dwelling unit in excess of one
30	Apartments (without laundry facilities in each unit)	1.0	per building plus 0.6 for each dwelling unit in excess of one
31	Fraternity or Sorority House or Dormitory	1.0	per building plus 0.6 for each two residents in excess of four
32	Park, Picnic or Recreation Facility (no bathing or overnight accommodations)	0.2	
33	Park, Picnic or Recreation Facility (with bathing facility or swimming pool)	0.35	per parking space
34	Pharmacy	1	per premise
35	Campground (Tents, recreational vehicles 20 feet in length or less and trailers 12 feet in length or less)	0.35	Per pad or site plus picnic facilities to be calculated separately
36	Campground (Tents, recreational vehicles over 20 feet in length and trailers over 12 feet in length)	0.35	Per pad or site plus picnic facilities to be calculated separately
37	Post Office	1.0	per 1,000 sq ft
38	Professional Office	0.25	Per 500 sq ft (Minimum 1.0)
39	Public Institution	0.75	per 1,000 sq ft
40	Restaurant (no alcohol service)	2.5	Per 1,000 sq ft excluding restrooms, public areas not in regular use and unfinished areas

41	Restaurant (with alcohol service)	3.5	Per 1,000 sq ft excluding restrooms, public areas not in regular use and unfinished areas
42	Restaurant (public areas, auxiliary dining rooms, dance floors or ballrooms not in regular use)	0.05	per 1,000 sq ft
43	Retail Store (other than listed)	1.0	per premise plus 0.1 per 1,000 sq ft
44	School	1.0	per classroom
45	Service Station	1.5	per 1,000 sq ft
46	Snack Bar, Drive In, etc.	2.5	per 1,000 sq ft
47	Theater	0.04	Per seat
48	Theater (drive-in)	0.04	Per car space
49	Warehouse and Storage	0.2	per 1,000 sq ft
50	Veterinary Facility (w/o kennel)	1.0	per facility
51	Veterinary Facility (with kennel)	1.0	per facility plus 0.1 per kennel

¹ The additional unit factor of 0.25 shall apply for the total of all bedrooms over four or all toilets over four, but not to the total of bedrooms and toilets over four. If the total of bedrooms over four and toilets over four is different, the largest total unit factor shall apply.

² If a Single Family Residence with more than four bedrooms or more than four toilets is proposed on a lot that is being redeveloped and the water and sewer connections have been previously disconnected, the services may be reinstated if they meet the current standards for service as determined by the SHAWSA. The availability fee for reinstating any water or sewer service which has been previously disconnected will be the lesser of the following: Back standby service fees from the date that the service was originally disconnected to the date of reconnection plus 0.25 REU for each bedroom or toilet in excess of four, or the amount calculated using this REU schedule.

The total number of Residential Equivalent Units to be assessed will be calculated by multiplying the Units by the Unit Factor based on the proposed occupation or use at the time of connection. If multiple occupations or uses are proposed, the calculation will utilize multiple Units and Unit Factors as appropriate for each occupation or use and the total Residential Equivalent Units to be assessed will be the total of the Residential Equivalent Units for each separate occupation or use.

If the proposed occupation or use is expandable in the future, the Residential Equivalent Units for the expandable portion of the occupation or use will be included in the total calculation. The applicant will then be required to enter into a deferral agreement, agreeing to pay the Residential Equivalent Units for the expandable area at the time that construction occurs in the future.

Every connection to the water and sewer system will require payment for a minimum of 1.0 Residential Equivalent Unit, even if the calculation results in less than 1.0 Residential Equivalent Unit.

Metering of any commercial or industrial use may be required by the SHAWSA, in their discretion, for at least three months, to determine the average daily flow. The average daily flow will be calculated by dividing the total metered flow by the number of days of metering. The average daily flow will be converted to Residential Equivalent Units by dividing the average daily flow, measured in gallons per day, by 250. Such metering shall be accomplished using an approved meter, with all expenses the responsibility of the owner.

Discount of 45% for indirect connections. An indirect connection is a service that is connected to a water or sewer main that was constructed by a developer at their expense and turned over to SHAWSA as a public facility.

EXHIBIT E

Hydrant Meter Rental Fees

If hydrant water is needed on a temporary basis for construction purposes, special events, etc. we have a process and fee established by the SHAWSA board. First, a request to SHAWSA for use of water from an existing fire hydrant is made. SHAWSA personnel will verify they have an available meter and attachments. If available, the customer will be invoiced the fees listed below. Water use may begin once this invoice is paid and after the installation of a meter, proper backflow prevention, and sill cock attachments. Only SHAWSA personnel shall turn the on the hydrant. Upon completion of the temporary need for water use, SHAWSA personnel will close the hydrant, check for proper "drain back," and remove the meter.

FEES

Deposit-\$1,500

Set-up fee-\$250

Water Charge (up to 2500 cu ft) - \$87.50 (this is the current rate charge per 100 cu ft multiplied by 25).

After the customer is done using the hydrant meter, we calculate water usage over 2500 cu ft at the current rate and also a day rate of \$10 per day – and bill them for that. Once they have paid this second invoice – we will refund their \$1,500 deposit.