

4. “What are the other options?”

The Agreement between the Township and the City of Midland and the Township Water Ordinance establish the underlying water rates for Township customers at the City's rate for similar users and quantities. Those documents also allow the Township to make additional charges to water bills for Township customers which will be collected by the City and, upon collection, paid to the Township. These charges are applicable to all Township water districts.

The Township does add an additional charge to the City's water billings, of \$0.46 per 1,000 gallons. When that surcharge is forwarded to the Township it is inclusive of all water districts. An amount of that total is allocated to WD#3 and deposited into the WD#3 water fund from which bond payments are made. Between 2013 and 2016, the annual amount allocated for WD#3 has ranged from a low of \$7,300.00 to \$17,400.

The Township can adopt an ordinance establishing a user charge or amend its Water Ordinance to contain such provisions. It currently does not impose a user charge. If adopted such provisions can provide that the funds generated can be used for the cost of operation and maintenance of Township water districts, as well as retirement of the debts incurred by the Township related to its water system. It would apply to all properties that are connected to the system and would be included in the quarterly water bill.