



Frequently Asked *Questions*

Why are sewer rate increases necessary?

There are several reasons Hartland Township must adjust sewer rates.

1. Despite cost increases for infrastructure, labor, power and materials, Hartland Township has worked diligently to not increase rates for sanitary sewer in over 12 years and non-residential user rates haven't risen in more than 22 years.
2. Hartland Township's sewer system is now owned and operated by the Livingston County Drain Commissioner's Office, and the wastewater is treated by Genesee County. The Drain Commissioner's Office realized a significant increase in costs when they took over the system due to underbidding by the previous contractor for operation of the system. Genesee County also experienced a cost increase for treatment that required study and adjustment, but have stated that no further adjustments will be necessary until at least 2012.
3. The original sanitary sewer system failed to comply with requirements of the Michigan Department of Environmental Quality (MDEQ) and required mitigation, which led to the transfer to the Livingston County Drain Commissioner's Office and treating the wastewater in Genesee County. While a significant portion of the new infrastructure costs were funded through the addition of new users (74%) and future additions (12%) to the system, part of these costs were appropriately intended to be borne by the existing customers (14%) as necessary to the continued existence of the system.
4. During the last fiscal year, the Township experienced a \$117,000 deficit for an \$800,000 annual budget. This trend is expected to worsen under the current sewer rate structure and the Township has a responsibility to ensure the sewer systems financial integrity.

When was the last time sewer rates were raised?

In the 22 year history of the Hartland Township sanitary sewer system, rates have never been raised beyond those originally established.

How are sewer rates calculated?

Sewer rates are calculated based on the cost of treating the wastewater by Genesee County, the pumping costs required to bring the wastewater out of lower elevations and to Genesee County, labor costs, testing, materials costs and other operating expenses associated with repairing and maintaining the sewer system by the Livingston County Drain Commissioner's Office. While the Township Auditor has recommended immediate rate increases as high as 95%, the Township endeavored to identify other revenue sources and use available funds to dramatically lower these increases over time.

What are the proposed rates adjustments?

Per Quarter	Current Rates	Proposed Rates			Auditor's
	(1986-2008)	7/1/2008	10/1/2008	1/1/2009	Recommendation
New Connection Fee (per REU)	5,835.00	7,835.00	7,835.00	8,010.05	5,835.00
Base Charge (per REU)	-	12.00	12.12	12.24	13.00
Metered (per 1,000 gallons)	3.62	3.76	3.92	4.07	6.16
Gravity User (flat rate)	59.46	62.43	65.55	68.83	89.93
Grinder User (flat rate)	84.48	87.86	91.37	95.03	109.93

What is the proposed "Base Charge"?

The base charge is a fixed quarterly charge that is based on your Residential Equivalent Units (REUs). One (1) single-family home equals one (1) REU. The base charge primarily pays for the fixed overhead expenses and bond payments for a portion of the new infrastructure costs. This charge to existing customers was originally

intended as part of the project in 2005, but the Township delayed the additional cost for residents as long as possible.

When will my bill change?

The new rates take effect on July 1, 2008. Therefore, the October bill for the July-September quarter will reflect the new rates.

Why are rate increases larger for some customers and smaller for others?

Through its rate study the Township determined that the average REU (or single family home) was paying more than the flat rate gravity user and adjustments were necessary to maintain equity within the system. A specific differential must also be maintained for flat rate grinder users to account for the additional costs of repair and replacement of grinder pumps.

What about the water rates?

While the rate study also indicated potential issues about the future health of the water fund to be monitored, the Township determined that the basic rate structure could be sustained at least another year. However, some adjustments will be made to the cost of new connection fees (increase from \$3,185 per REU to \$4,000) and to quarterly base charge as determined by the relative meter size. This is necessary, once again, to achieve equity in the rate structure. (Normal household meter sizes are ¾" or 1")

Meter Size	Current Base Charge Per Quarter	Proposed Base Charge Per Quarter
¾"	\$ 11.00	\$ 10.00
1"	\$ 11.00	\$ 11.00
1.25"	\$ 11.00	\$ 14.00
1.5"	\$ 11.00	\$ 18.00
2"	\$ 11.00	\$ 29.00
3"	\$ 11.00	\$ 110.00
4"	\$ 11.00	\$ 140.00
6"	\$ 11.00	\$ 210.00
8"	\$ 11.00	\$ 290.00
10"	\$ 11.00	\$ 390.00

If my rate adjustment is actually a decrease, does that mean that I have been paying too much in the past?

The past rates and rate structure were the result of a unique set of circumstances dating back several years (decades in some cases). Within those conditions, the current rates are reasonable and equitable. However, the Township has evaluated future conditions and under these new conditions, the proposed new rates are more equitable than the current rates.

What are the dates for public input and when the Township Board will actually vote on these changes?

There will be a public informational meeting on June 24, 2008, at 7:00pm, at the Hartland Township Hall (2655 Clark Road), where citizens can comment. The Board will determine what further action will be taken at that time.

How do Hartland Township rates compare to other communities in the county?

Hartland Township rates are lower across the board than most of the other communities in Livingston County.