

SEWAGE DISPOSAL AGREEMENT

CITY OF GRANDVILLE - OTTAWA COUNTY
OTTAWA COUNTY WATER SUPPLY AND SEWERAGE
AND SEWAGE DISPOSAL SYSTEM
RUSH CREEK SANITARY SEWER SYSTEM

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THIS AGREEMENT made this 20TH day of February, A.D. 1968, by and between the CITY OF GRANDVILLE, a municipal corporation of the State of Michigan, hereinafter referred to as the "City", and the COUNTY OF OTTAWA, by its Board of County Road Commissioners, hereinafter referred to as the "COUNTY".

W I T N E S S E T H:

WHEREAS, the CITY maintains and operates a Waste Water Treatment Plant (hereinafter referred to as the Grandville System) pursuant to ordinance of the City of Grandville, and is authorized by law to make the facilities and services of said Grandville System available to other units of government; and

WHEREAS, the COUNTY proposes to construct, finance and operate the Rush Creek Sanitary Sewer System as part of the Ottawa County Water Supply and Sewerage and Sewage Disposal System in said County (hereinafter called the "County System"); and

WHEREAS, the COUNTY, acting through its Board of County Road Commissioners, (hereinafter sometimes referred to as the

"Board") desires to contract for the reception, treatment and disposal by the Grandville System of all sewage emanating from the hereinafter designated area of the County of Ottawa and transported in the County System to the Grandville Waste Water Treatment Plant, and

WHEREAS, the COUNTY proposes to serve the area as shown and described in Exhibit A, attached hereto and made a part hereof, and to construct the facilities shown on said Exhibit A, and desires to make provision for the treatment and disposal of the sewage collected from said area and transported in said facilities to the Grandville System.

NOW, THEREFORE, in consideration of the premises and the mutual undertakings of the parties hereto, the parties hereto agree as follows:

1. The CITY agrees to receive for treatment and disposal, subject to such limitations and exceptions as are hereinafter provided for, all sanitary sewage emanating from the area in the County of Ottawa delineated on Exhibit A, attached hereto and made a part hereof, which said area shall be known as the Rush Creek Sanitary Sewer District and hereinafter referred to as the "DISTRICT".

2. The COUNTY shall pay the CITY for all sewage accepted by the CITY from the DISTRICT for disposal hereunder, pro rata a CAPITAL CHARGE and pro rata an OPERATION AND MAINTENANCE CHARGE. Such charges will be in the same proportion to the total

CAPITAL CHARGE AND OPERATION AND MAINTENANCE CHARGE as the total measured sewage flow accepted from the DISTRICT bears to the total measured sewage flow processed through the CITY'S Waste Water Treatment Plant during the appropriate period. The CAPITAL CHARGE and the OPERATION and MAINTENANCE CHARGE will be determined annually as follows:

A. CAPITAL CHARGE

Six (6) percent of the capital investment of the CITY in the Grandville System is the CAPITAL CHARGE. The initial capital investment is determined to be \$760,000 and shall increase during the term of the agreement by the actual costs incurred by the CITY in expansion of or improvement to the Waste Water Treatment Facilities and appurtenances. The CAPITAL CHARGE of six (6) percent is based on the ability of the CITY to retire both the principal and interest of a debt in thirty (30) equal annual installments. In the event that it becomes necessary for the CITY to borrow funds for capital expansion at a rate in excess of four (4) percent interest the COUNTY agrees to negotiate an adjustment of the CAPITAL CHARGE to accommodate the increased costs.

B. The actual cost of operating and maintaining the treatment facilities as defined in Exhibit B is the OPERATION and MAINTENANCE CHARGE.

3. Sewage flow meters of a type and design approved by the CITY shall be installed by the COUNTY on the County System in order to accurately measure the sewage flow contributed by the DISTRICT, and the COUNTY will furnish to the CITY circuits and equipment to indicate, record and totalize the sewage flow at the Waste Water Treatment Plant all at the expense of the COUNTY. The CITY shall be obligated to maintain, service and repair all metering devices and equipment, charging the COUNTY for the cost of any repairs or replacements for the COUNTY'S meter which are outside the commonly accepted scope of routine daily maintenance and service. The CITY shall be responsible for the accuracy of the meters and equipment and shall notify the COUNTY of any inaccuracies. In the event any COUNTY metering device or equipment is found to be inaccurate, the CITY shall notify the COUNTY of the nature and cost of such replacement or repair and shall cause immediate replacement or repair thereof. Where metering devices or equipment are found to have been inaccurate, such adjustments in charges shall be made as may be indicated by all available information which will provide an equitable adjustment. The CITY shall make

available to the COUNTY all data pertinent to the computation of charges by the CITY for sewage disposal services to the COUNTY.

An accuracy test of the meter shall be made regularly to assure proper operation.

4. The billings for the CAPITAL CHARGE and the OPERATION and MAINTENANCE CHARGE shall be made on a calendar quarterly basis to the COUNTY. Such billings shall be subject to a five (5) percent penalty if not paid within sixty (60) days after the billing date. All delinquent balances remaining unpaid shall be subject to a 1/2 percent per month additional charge until paid.

The CITY shall make available to the COUNTY all the records used in computing the quarterly charges.

5. The aforesaid charges to be paid by the COUNTY shall be collected by the COUNTY through sewage collection agreements. The COUNTY agrees that it has or will have prior to introduction of the sewage from any area covered by this contract, entered into sewage collection agreements with the municipality or municipalities located within the DISTRICT for the payment by said unit or units of government of sewage disposal charges sufficient to meet the commitments of this agreement. The charges to be paid by the COUNTY are to be made from no source other than the receipts from said unit or units of government,

it being expressly understood and agreed that the County of Ottawa at large, or its general funds or any other funds of the County of Ottawa, are in no way to become liable under and by virtue of the provisions of this agreement. The COUNTY agrees that receipts from such municipalities or the residents thereof shall be maintained by it in separate accounts and will be available to pay all obligations to the CITY hereunder. All sewage collection agreements between the COUNTY and the municipalities in the DISTRICT and any amendments thereto shall be subject to the provisions of this agreement and copies thereof shall be furnished to the CITY.

6. In case of the failure of any of the units of government in the DISTRICT to pay its cost of disposal of sewage in accordance with the contracts therefor, the COUNTY shall forthwith at its expense institute or direct that there be instituted proper legal proceedings to compel payment to the COUNTY of funds sufficient to meet the obligation. At its option, the CITY shall also have the right to institute collection proceedings against the municipality involved.

7. The COUNTY and the CITY shall each own, be responsible for and, except as otherwise provided herein, shall maintain, operate and repair at its own cost, respectively, its own facilities to adequately provide for the performance of the terms hereof.

8. All charges for service as provided herein shall commence at the time sewage is accepted into the Grandville System from the DISTRICT.

9. The DISTRICT acting through the COUNTY shall be considered a customer of the Grandville System and, where not in conflict with this agreement, it and its residents who are connected to the System shall be bound by all the rules and ordinances affecting sewer use within the CITY. "Orders of Determination." controlling the type, quantity and quality of wastes emanating from commercial and industrial customers of the DISTRICT shall be issued to the DISTRICT through the COUNTY by the CITY.

10. The COUNTY agrees to pay the cost for repair of any damage to the Grandville System resulting from the discharge of damaging wastes from the DISTRICT. The COUNTY further agrees to pay any fines or charges levied by any governmental agency against the CITY for the discharge into the Grand River of objectionable, noxious or toxic wastes emanating from the DISTRICT.

11. The COUNTY shall adopt, or cause to be adopted by the municipalities in the DISTRICT, enforceable sewer regulations similar to those in force in the CITY from time to time. Said regulations shall be approved by the CITY before adoption. The

regulations shall be in force before the DISTRICT sends sewage into the Grandville System. It shall be the obligation of the COUNTY to see that competent personnel are available in or to the DISTRICT to enforce the regulations. If in the opinion of the CITY the regulations are not being enforced, the CITY shall so notify the COUNTY in writing, citing the specific violations. If the violations are not remedied and the nonenforcement continues for seven (7) days thereafter, the City of Grandville shall then become the enforcer of the regulations, and all permits to be issued on behalf of the DISTRICT shall be issued by the City of Grandville. The inspection fees charged shall be those in the DISTRICT'S ordinance. Said fees collected by Grandville shall accrue to Grandville.

12. It is mutually understood that the COUNTY proposes to serve the DISTRICT by connecting to the Grandville System at the following locations:

A. At the point of connection shown on Exhibit A.

It is mutually understood by the parties hereto the connections to the Grandville System may be made only with the approval and under the supervision of the CITY'S Representative.

13. When the combined flows from the DISTRICT and the CITY reach eighty (80) percent of design capacity of the

Grandville System, the COUNTY shall cause a new projection of sewage flows to be made. The CITY shall then determine and provide, if feasible, the amount of expansion of capacity for treatment facilities necessary to serve the CITY and the DISTRICT. Before any expansion of capacity is made by the CITY in order to serve such increased flow, the parties shall first negotiate and agree upon appropriate changes in the term of this agreement to assist with such expansion and the method of financing it.

14. The COUNTY agrees that the DISTRICT shall remain as described in Exhibit A. Additional areas desiring sewer service shall constitute new Districts and shall be served under new agreements.

15. The parties hereto enter into this agreement for the purpose of serving the public health and welfare of the people of the State of Michigan and especially the area affected hereby.

16. No failure or delay in performance of this Sewage Disposal Agreement by either party shall be deemed to be a breach thereof when such failure or delay is occasioned by or due to any act of God, strikes, lockouts, wars, riots, epidemics, explosions, sabotage, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority, or any other cause, whether of the kind herein

enumerated or otherwise, not within the control of the party involved; provided that no cause or contingency shall relieve the COUNTY of its obligation to make payment for sanitary sewage actually treated and disposed of by the CITY.

17. It is hereby agreed that the basis for capital investment on existing facilities at the expiration of the initial thirty (30) year period or each subsequent extension of this agreement shall be established for purposes of extending or renewing this agreement as follows:

A. Two (2) percent per annum depreciation from the date of connection to the treatment facility for capital investment existing at that time,

B. and subsequent to the date of connection to treatment facility, and two (2) percent per annum depreciation shall be allowed for all additions made to the treatment facilities from the date of completion of construction.

18. This agreement shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns.

19. This agreement shall become effective upon execution by the duly authorized representatives of the parties hereto and approval and confirmation by the Commission of the City

of Grandville and the Board of Supervisors of the County of Ottawa and shall remain in effect for a period of thirty (30) years from date hereof, and at the end of said thirty (30) year period, the COUNTY or the CITY shall have the right to renew this agreement for not more than two successive ten (10) year terms, by giving written notice thereof to the other party at least six (6) months before the end of the period then in effect, and for such renewal and calculations provided in Paragraph 17 above shall be made.

20. It is recognized that the CITY owns and will continue to own the Grandville System and to have the sole authority to determine its manner of operation, subject, however, to the terms and conditions of this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed by their respective fully authorized officers and their corporate seals affixed hereto the day and year first above written.

In presence of:

CITY OF GRANDVILLE

Ronald W. Russett

By William A. Timmis
Mayor

Ronald Babler

By Howard Synderius
City Clerk

COUNTY OF OTTAWA
BY ITS BOARD OF COUNTY ROAD
COMMISSIONERS

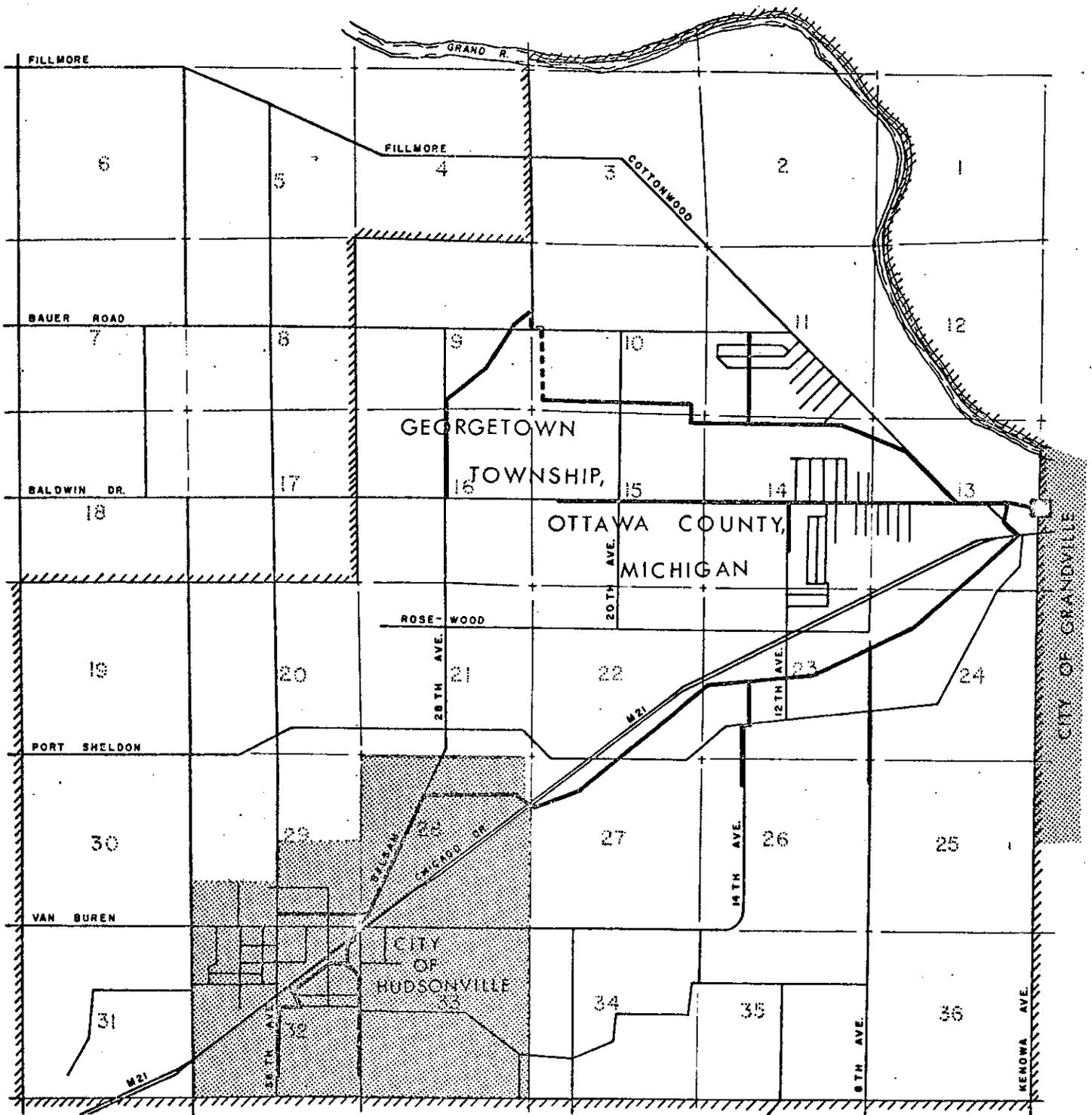
Ronald W. Russett

By Walter P. ...
Chairman

Ronald Babler

By ...
Secretary

RUSH CREEK SANITARY SEWER DISTRICT



LEGEND

-  District Boundary
-  Metering Station and Point of Connection to Grandville System
-  Sanitary Trunk Sewer
-  Force Main

Exhibit B

OPERATION AND MAINTENANCE EXPENDITURES

The following categories of operating and maintenance costs are listed as typical cost items experienced at the time of contract execution. The categories may be altered during the life of the contract by mutual agreement of both parties. Alterations to be based upon the appearance or elimination of costs to efficiently and effectively operate and maintain the sewage treatment facility.

Budget Categories

- | | |
|--------------------|--|
| Administration | - A charge of 5% on the total budget costs for operation and maintenance to cover management, legal and overhead costs |
| Supervision | - Salary of Plant Superintendent |
| Office/Clerical | - Clerical wages, printing, postage, etc. for correspondence, purchasing, payroll, etc. |
| Labor | - Wages of Plant operators and employees |
| Personnel Services | - Cost for Workmen's Compensation insurance, social security, pension, medical/hospitalization premiums, uniforms and other employee fringe benefits |
| Engineering | - Consulting fees for operation and maintenance |
| Plant Insurance | - Fire, liability and general comprehensive insurance |

- Dues and Subscriptions - Professional associations, trade magazines, etc.
- Conferences and Training - Professional training, conventions and conferences
- Telephone - Plant telephone charges
- Plant Maint. - Material - Routine maintenance materials
- Plant Maint. - Labor - Outside labor costs for routine maintenance repairs
- Chemicals - Chemicals to treat wastes and remove sludge
- Utilities - Gas, electric and water costs
- Lab Supplies - Lab Operational Costs
- New Equipment - Truck, lawnmowers, tools and minor plant improvements
- Miscellaneous - Minor cost items of an extra-budget nature
- Contingency - An account to cover unusual and unforeseen expenditures required to continue normal operations

1967-68

WASTE WATER BUDGET

Operation and Maintenance

Supervision		\$8,727
Office and Clerical (Printing and Postage)		1,050
Labor		13,013
Engineering		500
Personnel Services		
a. Work. Comp.	\$ 375	
b. Soc. Security	400	
c. Pension	660	
d. Blue Cross/Blue Shield	420	
e. Uniforms	<u>150</u>	
		2,005
Plant Insurance		400
Dues and Subscriptions		100
Conferences and Training		500
Telephone		200
Plant Maintenance - Material		2,000
Plant Maintenance - Labor		400
Chemicals		2,500
Utilities		8,800
Lab Supplies		300
New Equipment		1,860
Miscellaneous		500
Contingency		<u>1,112</u>
		43,967
Administration	5%	<u>2,198</u>
		\$46,165