

**SUPERIOR CHARTER TOWNSHIP BOARD
REGULAR MEETING
DECEMBER 15, 2014
ADOPTED MINUTES
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1. CALL TO ORDER

The regular meeting of the Superior Charter Township Board was called to order by the Supervisor Kenneth Schwartz at 7:30 p.m. on December 15, 2014, at the Superior Township Hall, 3040 North Prospect, Ypsilanti, Michigan.

2. PLEDGE OF ALLEGIANCE

The Supervisor Schwartz led the assembly in the pledge of allegiance to the flag.

3. ROLL CALL

The members present were Ken Schwartz, David Phillips, Brenda McKinney, Nancy Caviston, Rodrick Green, Lisa Lewis and Alex Williams.

4. ADOPTION OF AGENDA

It was moved by Caviston seconded by Green, to adopt the agenda as presented.

The motion carried by unanimous voice vote.

5. APPROVAL OF MINUTES

A. REGULAR MEETING OF NOVEMBER 17, 2014

It was moved by Green, seconded by Caviston, to approve the minutes of the regular Board meeting of November 17, 2014, as presented.

The motion carried by a unanimous voice vote.

6. CITIZEN PARTICIPATION

A. CITIZEN COMMENTS

Resident Ellen Kurath commented about the tree trimming activities of DTE along Hickman Road and also a power outage that occurred along Hickman Road.

Nancy Caviston reminded the Board and audience that beginning on January 20, 2015, the Board of Trustees meetings begin at 7:00 pm.

Mr. Ennis, of the Prospect Pointe subdivision addressed the Board about the problems the subdivision was experiencing with walkaways from the Fairfax Manor assisted living facility. He said patients from the facility walked away from the facility, crossed Prospect Road and ended

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up causing problems in Prospect Pointe. Supervisor Schwarz indicated the item will be discussed later in the agenda.

Lew Kidder is a member of the Washtenaw County Board of Commissioners' Roads Committee. He made a short presentation about the Committee's work. The Washtenaw County BOC recently utilized PA 283 to assess a .5 mill county-wide assessment for road improvements. In 2015, Superior Township is scheduled to receive about \$600,000 for improvements from this millage. He requested the Township inform the Committee of any improvements they would like to see on primary roads.

7. REPORTS

A. SUPERVISOR REPORT

Supervisor Schwartz reported on the following: DTE has a program to partially pay to convert mercury vapor street lights to LED lights. He said the total cost to convert the 24 lights on Harvest Lane and Wiard Boulevard was about \$4,000 with a pay back of 2.8 years. He suggested the Board consider funding the conversion as a pilot project and will bring the issue back to the Board in January. DTE just started a new program to clear and trim trees along power lines. There was an electrical power surge along Hickman Road. Homeowners can submit claims for damaged electrical appliances and equipment. The December Board of Review recently met and reviewed 12 corrections and 2 poverty exemptions. The Township's employees' Christmas Party will be held on December 17, 2014 from noon to 1:00 p.m. Township employees, board and commission members and others affiliated with the Township are invited. New construction of homes has picked-up in the Township and 12 new water and sewer connections were recently received bringing the total for 2014 to 24, which equals about \$300, 000 in revenue to the Utility Department. Few connection permits were issued during the previous six years and this revenue will help reduce the draw from reserves in order to make bond payments. The Township recently met with its insurance agent and updated some information. Republic Waste ended their yard waste pickup in November. However, there were still numerous bags still at the curb. The Township hired an independent contractor who picked up 600 bags of yard waste. Supervisor Schwartz suggested the Township negotiate with Republic to extend the pickup of yard waste. Township officials, Fire Chief Thurston, Washtenaw County Sheriff Department Sergeant Bell and Building Official Rick Mayernik recently met with staff and the owner of Fairfax Manor to discuss the walkaways from the Fairfax facility. Numerous residents of the Prospect Pointe subdivision were present at the Board meeting and voiced their concerns about the walkaways. Fairfax Manor has been in operation for many years but is only in the past two years that there has been a problem with the walkaways. Residents voiced concerns about the lack of proper staffing, the alarms not working and the type of patients housed at Fairfax Manor. Supervisor Schwartz indicated that Township officials will continue to investigate the issues and try to work with the owners to improve the security of the facility.

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B. DEPARTMENT REPORTS: BUILDING DEPARTMENT, FIRE DEPARTMENT, ORDINANCE OFFICER REPORT, PARK COMMISSION MINUTES, SHERIFF'S REPORT, UTILITY DEPARTMENT REPORT

Clerk Phillips commented that the Sheriff's Department Report indicated a significant decrease in the number of assaults, burglaries, trespass and other crimes, which affect the quality of life in the community. He said it is good news for the community and the Sheriff's Department is doing a good job.

It was moved by Caviston, seconded by Lewis, that the Superior Township Board receive all reports.

The motion carried by a unanimous voice vote.

C. TREASURER'S INVESTMENT REPORT

It was moved by Caviston seconded by Green, for the Board to accept the Treasurer's Investment Report for the period ending October 31, 2014.

The motion carried by a unanimous voice vote.

8. COMMUNICATIONS

There were no communications.

9. UNFINISHED BUSINESS

A. RESOLUTION 2014-52, APPROVE YCUA WASTEWATER TREATMENT SERVICES CONTRACT

Supervisor Schwartz indicated that several changes were made to the agreement in order address Board member's concerns. In Section 4.1, the peaking surcharge will be in effect when the flow at the plant exceeds four times the annual daily flow (ADF) instead of the previous three times ADF. YCUA would not remove Section 4.6 that allows them to change their billing from metering to water flow because metering is costly and if the metering program shows flow to the plant is consistent with water usage, they cannot justify the cost of metering. YCUA agreed to amend Section 5.2 so that the new contract and billing will be retroactively applied to September 1, 2014 instead of September 1, 2013. This results in significant saving to the Township Utility Department. Supervisor Schwartz indicated that the reserved capacity of 2.25 MGD should last at least 20 years and that the contract allows the Township to purchase additional capacity if needed.. Supervisor Schwartz indicated that Superior Township is the last community to sign the new agreement and YCUA officials are anxious to complete the new agreement.

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The following resolution was moved by McKinney, seconded by Caviston:

**SUPERIOR CHARTER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

**A RESOLUTION TO ADOPT A WASTEWATER CONVEYANCE AND
DISPOSAL CONTRACT WITH YPSILANTI COMMUNITIES UTILITY
AUTHORITY**

Resolution Number: 2014-52

Date: December 15, 2014

At a regular meeting of the Township Board of Trustees of Superior Charter Township, Washtenaw County, Michigan, held at the Township Hall of said Township on the 17th day of November, 2014, the following resolution was offered.

WHEREAS, this Board is authorized by statute to accept and approve a wastewater conveyance and disposal contract with Ypsilanti Communities Utility Authority; and,

WHEREAS, the Superior Township Board finds the proposed contract is reasonable and necessary based upon the anticipated residential and commercial growth in Superior Township over the next thirty years.

NOW, THEREFORE, BE IT RESOLVED, that the Superior Charter Township Board does hereby approved the Wastewater Conveyance and Disposal Contract with the Ypsilanti Community Utility Authority and authorizes the Supervisor and Clerk to execute said contract.

A copy of the contract is attached.

Ayes: Schwartz, Phillips, McKinney, Caviston, Green, Lewis, Williams

Nays: None

Absent: None

The motion carried. The resolution was adopted.

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10. NEW BUSINESS

A. RESOLUTION 2014-59, EMPLOYEE HEALTH CARE INSURANCE FOR 2015

Supervisor Schwartz explained that the Township's insurance agent, Brown and Brown, indicated that the proposed plan is basically the same plan as last year. However, on April 1, 2014, Blue Cross/Blue Shield stopped allowing employers to make contributions to employee's HAS accounts. Supervisor Schwartz explained that the State and Federal government will be placing more emphasis on compliance with PA152 and the Affordable Care Act.

The following resolution was moved by McKinney, seconded by Green:

**SUPERIOR CHARTER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

**A RESOLUTION TO APPROVE THE ADMINISTRATIVE STAFF OF THE CHARTER
TOWNSHIP OF SUPERIOR TO PURCHASE MEDICAL, DENTAL AND VISION
INSURANCE FOR EMPLOYEES OF SUPERIOR TOWNSHIP**

RESOLUTION NUMBER: 2014-59

DATE: DECEMBER 15, 2014

WHEREAS, the Charter Township of Superior provides health care insurance plan benefits to all full-time Township employees; and

WHEREAS, the Township's current health care insurance plan expires on March 31, 2015; and

WHEREAS, the Township's historical term for health insurance has been from April 1st to March 31st of the following year which is inconsistent with the township's fiscal year; and,

WHEREAS, Township officials and staff have received and reviewed quotes for various health care providers including Health Maintenance Organizations (HMO), Preferred Provider Organization (PPO), High Deductible Health Savings Accounts (HD HSA) through its agent Brown and Brown; and

WHEREAS, pursuant to its authority, Superior Township has elected to renew the Simply Blue HSA PPO Gold \$1,300 health care plan, the Delta Dental Premier dental insurance plan and the VSP vision plan for 2015 with a total health care premium cost to the township of \$274,406 with

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an effective term of January 1, 2015 through December 31, 2015; and

WHEREAS, Superior Township will continue to offer its fulltime employees the option to opt out of health insurance in consideration of a payment to the employee of 40% of the costs of providing health care insurance; and,

WHEREAS, Superior Township will offer its employees a wellness bonus in 2015 in the following amounts which may be deposited in the employee's health care savings accounts:

<u>Non-union</u>		<u>Union</u>	
Single	\$725	Single	\$1,725
Family	\$1,450	Family	\$3,450

NOW, THEREFORE BE IT RESOLVED, that the Superior Township Supervisor, Clerk and Treasurer are authorized to execute any documents necessary to provide the described health care benefits and corollary opt out and wellness incentive payments.

Ayes: Phillips, McKinney, Caviston, Green, Lewis, Williams, Schwartz

Nays: None

Absent: None

The motion carried. The resolution was adopted.

B. RESOLUTION 2014-60, UTILITY DEPARTMENT RATE INCREASE

Keith Lockie, Utility Department Director, explained to the Board that YCUA increased the rate for sewer service by 11%. However, he was recommending that the rates to customers be increased by 5% with the Utility Department absorbing a portion of the rate increase.

The following resolution was moved by McKinney, seconded by Lewis:

SUPERIOR CHARTER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN
December 15, 2014
Resolution 2014-60

Resolution Amending the Rates, Fees and Charges Related to Sewer and Water Services
Provided by the Township's Utility Department

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At a regular meeting of the Township Board of Trustees of Superior Charter Township, Washtenaw County, Michigan, held at the Township Hall of said Township on the 15th of December 2014, at 7:30 p.m. Eastern Standard Time, the following resolution was offered by and supported by

WHEREAS, this Board is authorized by statute and by the provisions of Township Ordinance No. 169 to determine by resolution rates, fees and charges for services and benefits by Township's sewer and water systems, and

WHEREAS, the Ypsilanti Community Utilities Authority has increased the charge for sewer by 11%, and

WHEREAS, the Superior Charter Township Utility Fund may not operate at a deficit, and

WHEREAS, after an analysis of the effect of the new charges for water and sewer, it was determined that it would be adequate to increase our water rates by 0% and our sewer rates by 5%, and

WHEREAS, this Board finds that the amended proposed schedule of fees is reasonable and necessary for the continuing operations of the Township Utility System and consistent with the past practices and policies of the Township;

NOW, THEREFORE, BE IT RESOLVED, that the Superior Charter Township Board does hereby determine that the fees for services and benefits furnished by the Township's sewer and water systems shall be amended per the attached Schedule A; and

BE IT FURTHER RESOLVED that this Resolution and attached schedule shall be published pursuant to Section 8 of the Charter Township Act being MCL 42.8 by posting in the Office of the Clerk, 3040 N. Prospect, Ypsilanti 48198 and on the Township website – www.superior-twp.org – with notice of such in *The Ypsilanti Courier*, a newspaper of general circulation in the Township qualified under state law to publish legal notices, said rate changes shall be effective immediately upon publication thereof.

CERTIFICATION

I, David Phillips, the duly qualified Clerk of the Charter Township of Superior, Washtenaw County, Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted at a regular meeting of the Superior Charter Township Board held on December 15, 2014.

David Phillips, Township Clerk

Date Certified

SCHEDULE A

SUPERIOR CHARTER TOWNSHIP

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**UTILITY DEPARTMENT FEES
575 EAST CLARK ROAD
YPSILANTI, MI 48198
734-480-5500**

RESOLUTION ADOPTED FEBRUARY 27, 1996 AND AS AMENDED THROUGH DECEMBER 15, 2014, SCHEDULE OF RATES, FEES AND CHARGES RELATED TO SEWER AND WATER SERVICES PROVIDED BY THE TOWNSHIP'S UTILITY DEPARTMENT.

Service Rates:

- A. Water and sewer (including wastewater treatment) rates for Township customers served from the Ypsilanti Community Utilities Authority.

Effective January 1, 2015

Water	\$4.65 per 100 cubic feet
Minimum quarterly billing	\$46.50 (1000 cubic feet)

Effective January 1, 2015

Sewer	\$3.38 per 100 cubic feet
Minimum quarterly billing	\$33.80 (1000 cubic feet)

NOTE: All sewer rates and surcharges are based on water usage, except to the extent of water metered through a separate "Water-only" meter.

Ayes: McKinney, Caviston, Green, Lewis, Williams, Schwartz, Phillips

Nays: None

Absent: None

The motion carried. The resolution was adopted.

C. BUDGET AMENDMENTS ALL FUNDS

The budget amendments were reviewed and discussed by the Board.

It was moved by Caviston, seconded by Green, to approve the following Budget Amendments:

To: **Superior Township Board of Trustees**



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From: **Keith Lockie**

Date: **December 15, 2014**

Re: **2014 Budget Amendment**

Acct. #	Account Name	Increase	Decrease	Approved	REQUESTED	Explanation
O&M:						
404	Water Sales		130,000	1,845,176	\$1,715,176	Less Usage
405	Sewer Sales		100,000	1,142,056	\$1,042,056	Less Usage
408	Penalty Income		5,000	60,000	\$55,000	Fewer Late Payments
419	COBRA Admin. Fee		80	80	\$0	Not Required
421	New Cust./Install Fees	4,000		5,000	\$9,000	Permit Fees
422	HSA Admin. Fee		32	355	\$323	No Longer Required
423	Customer Call Out Income		750	2,000	\$1,250	Fewer Resident Problems
425	Other Misc. Income	1,000		4,000	\$5,000	
	Total Revenue	\$5,000	\$235,862			
555	Water Purchased		240,000	1,284,405	\$1,044,405	Less Usage
602	Overtime Premium	8,000		4,000	\$12,000	Water Main Repairs
603	Taxable Benefits	8,000		19,135	\$27,135	Payout to Retiree
607	Employee Insurance		8,500	86,372	\$77,872	Employee Reduction
645-MF	Operating Supplies - Maint.		3,000	6,000	\$3,000	
665-MF	Utilities - Maint.		5,000	25,000	\$20,000	Lower Usage
620-LB	Repairs & Maint. - Lift & Booster	100		4,000	\$4,100	
645-LB	Operating Supplies - Lift & Booster	1,100		500	\$1,600	Supplies Purchased
620	Rep. & Maint. - System	20,000		20,000	\$40,000	Mult. Water Main Repairs
631	Prof. Serv. - Engineers		25,000	50,000	\$25,000	Less Assistance Required
632	Prof. Serv. - Auditors		2,266	6,200	\$3,934	Entered as Prepay for 12 months
634	Prof. Serv. - Twp. Acct.		1,167	2,000	\$833	Not Required
635	Prof. Services - Attorneys		1,000	1,000	\$0	Not Required
653	Employee Training		1,700	2,000	\$300	Not Required
671	Meters & Supplies	8,000		25,000	\$33,000	Mult. MXUs Replaced at Resident Properties
672	Fuel		2,000	12,000	\$10,000	Lower Fuel Costs
673	Insurance & Bonds	500		25,000	\$25,500	
701	Bad Debt Expense	1,373		1,800	\$3,173	Bromley Park Write-off

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709	Printing & Publishing	2,500		1,500	\$4,000	Bills & Letterhead
711	Memberships, Dues		500	5,000	\$4,500	
	Total Expenses	\$49,573	\$290,133			
	Total Rev. & Exp.	(\$44,573)	(\$54,271)	\$9,698		
856	Transfers to Cap. Res.	9,698		100,931	\$110,629	Increased Transfer to Capital Reserves
Acct. #	Account Name	Increase	Decrease	Approved	REQUESTED	Explanation
Capital Reserves:						
413	Availability Fee Income	28,858		\$0	\$28,858	Autumn Woods
416	T&T Income	52,500		\$105,000	\$157,500	New Development
427	Grant Income		\$454,509	\$454,509	\$0	SAW Grant - Not till 2015
441	Interest on Bank Accts.		\$350	\$2,100	\$1,750	
451	Interest - Other	586		\$0	\$586	Interest on UC Permit
	Total Revenue	\$81,944	\$454,859			
622	Project Expenses		505,010	505,010	\$0	SAW Grant - Not till 2015
	Total Expenses	\$0	\$505,010			
	Total Rev. & Exp.	\$81,944	(\$50,151)	\$132,095		
809	Transfers from O&M	9,698		100,931	\$110,629	Increased Transfer from O&M
Debt Service:						
441	Interest on Bank Accts.		\$25	\$2,016	\$1,991	
	Total Revenue	\$0	\$25			
687	Bond Agency Fees		10	450	\$440	
690	Annual Disclosure Report Fee	36		250	\$286	
691	Overlapping Report Fee		100	100	\$0	Not Required
	Total Expenses	\$36	\$110			
	Total Rev. & Exp.	(\$36)	(\$85)	\$49		
System Repair Reserve:						
441	Interest on Bank Accts.	\$15		\$1,200	\$1,215	
	Total Revenue	\$15	\$0			
	Total Rev. & Exp.	\$15	\$0	\$15		

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To: **Superior Township Board of Trustees**
From: **Keith Lockie/Nancy Mason**
Date: **December 15, 2014**
Re: **2014 Government Funds Budget Amendment #2**

Acct. #	Account Name	Increase	Decrease	Approved	REQUESTED	Explanation
GENERAL FUND:						
402.000	Property Tax	\$119		\$221,100	\$221,219	Actual
403.050	Prior Years Delq Taxes	\$372		\$0	\$372	
574.000	State Shared Revenue	\$56,226		\$934,908	\$991,134	Actual
607.000	Planning Admin. Fees		\$2,500	\$4,000	\$1,500	
607.030	Plans & Permits Base Fees		\$4,000	\$4,000	\$0	
607.033	Eng Reviews - Base Fee		\$1,500	\$1,500	\$0	
607.040	Misc Planning Fees	\$1,500		\$1,000	\$2,500	
609.000	Accounting Reimbursements		\$1,100	\$19,200	\$18,100	Utility no longer paying
609.050	Bldg. Fund Contribution	\$5,000		\$16,000	\$21,000	
626.000	Summer Tax Collection Fees	\$8,975		\$21,090	\$30,065	Actual
631.000	Recycling Education Revenue		\$1,000	\$1,500	\$500	
664-050	Interest on Reserves	\$1,500		\$0	\$1,500	Funds in Interest Bearing Accounts
664-085	Delinquent Interest & penalties		\$5,000	\$5,670	\$670	
695.033	Delinquent Water Bills Admin Fees		\$900	\$6,000	\$5,100	Actual
	TOTAL REVENUE	\$73,692	\$16,000			
719.000	Unemployment	\$12,500		\$0	\$12,500	Unemployment for 2 ex-employees
	Total Dept. 101 - Board/General	\$12,500	\$0			
715.000	Supervisor FICA	\$1,000		\$5,604	\$6,604	FICA under budgeted
	Total Dept. 171 - Supervisor	\$1,000	\$0			
702.000	Salaries		\$3,500	\$4,000	\$500	Not Required
703.000	Contract Services		\$7,800	\$15,000	\$7,200	Not Required
727.050	Postage		\$9,000	\$10,000	\$1,000	
862.000	Precinct Rent		\$1,800	\$2,250	\$450	Not Required
	Total Dept. 191 - Elections	\$0	\$22,100			
716.050	Health Insurance	\$16,000		\$0	\$16,000	Added full-time employee with benefits
	Total Dept. 209 - Assessing	\$16,000	\$0			
717.000	Taxable Benefits	\$2,100		\$6,681	\$8,781	Insurance rates increased

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	Total Dept. 215 - Clerk	\$2,100	\$0			
801.050	Professional Services		\$3,000	\$11,000	\$8,000	
	Total Dept. 210 - Attorneys	\$0	\$3,000			
702.000	Salaries		\$1,000	\$1,200	\$200	
	Total Dept. 247 - Board of Review	\$0	\$1,000			
702.055	Treasurer's Assistant Salary	\$14,150		\$11,700	\$25,850	Budgeted @ part-time, now full-time
716.050	Health Insurance - Deputy	\$6,850		\$758	\$7,608	Budgeted @ part-time, now full-time
716.055	Health Insurance - Assistant	\$9,000		\$0	\$9,000	No Budget
740.000	Operating Supplies	\$3,000				
	Total Dept. 253 - Treasurer's	\$33,000	\$0			
980.000	Equipment over \$5,000	\$8,100		\$0	\$8,100	New Server
	Total Dept. 258 - Computer Services	\$8,100	\$0			
920.075	Drains	\$3,176		\$20,000	\$23,176	Actual invoice received
930.000	Repair & Maintenance	\$9,400		\$9,000	\$18,400	French Drain @ Town Hall
	Total Dept. 265 - Building & Grounds	\$12,576	\$0			
947.018	Tax Sale Property Purchase	\$3,800		\$23,914	\$27,714	Property tax on Stamford Rd. property
	Total Dept. 266 - Special Projects	\$3,800	\$0			
703.000	Contract Services	\$1,700		\$10,325	\$12,025	
	Total Dept. 278 - Ordinance Enforcement	\$1,700	\$0			
801.000	Professional Services	\$11,000		\$0	\$11,000	Not budgeted in original budget
	Total Dept. 410 - Planning Department	\$11,000	\$0			
703.000	Contract Services		\$500	\$500	\$0	Not required
900.000	Printing & Publishing		\$600	\$600	\$0	Not required
	Total Dept. 411 - Zoning Board of Appeals	\$0	\$1,100			
703.000	Contract Services		\$800	\$800	\$0	Not Required
801.000	Professional Services		\$500	\$500	\$0	Not Required
900.000	Printing & Publishing		\$200	\$200	\$0	Not Required
	Total Dept. 413 - Wetlands Board	\$0	\$1,500			
703.000	Contract Services	\$300		\$0	\$300	
866.000	Road Maintenance	\$23,050		\$300,000	\$323,050	Plymouth/Ford Improvements
867.000	Non-Motorized Trails Maint.	\$10,235		\$5,000	\$15,235	
	Total Dept. 446 - Infrastructure	\$33,585	\$0			
864.000	AATA Fixed Route	\$4,000		\$25,273	\$29,273	Rate Increase
	Total Dept. 550 - Transportation	\$4,000	\$0			
728.000	Postage		\$1,000	\$1,000	\$0	Not Required
	Total Dept. 728 - Economic Development	\$0	\$1,000			
985.000	Tax Chargebacks		\$4,500	\$5,000	\$500	Not Required
	Total Dept. 890 - Contingencies	\$0	\$4,500			
	TOTAL EXPENDITURES	\$139,361	\$34,200			
699.000	Appropriations from Reserves	\$47,469		\$140,766	\$188,235	Increase in Appropriations

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LEGAL DEFENSE FUND:						
402.001	Special Assessment	\$118		\$67,474	\$67,592	Actual
402.050	Pilot Program	\$268		\$0	\$268	Actual
403.050	Prior Year Taxes	\$46		\$0	\$46	Actual
	TOTAL REVENUE	\$432	\$0			
802.025	Legal Services		\$1,600	\$4,500	\$2,900	
	Total Dept. 245 - Legal Defense Expenses	\$0	\$1,600			
	TOTAL EXPENDITURES	\$432	(\$1,600)			
965.00	Transfer to Reserves	\$2,032		\$64,705	\$66,737	Increase in Transfer
FIRE FUND:						
402.000	Taxes		\$2,000	\$1,619,390	\$1,617,390	Actual Booked
402.050	Pilot Program	\$290		\$6,142	\$6,432	
403.050	Prior Years Taxes	\$2,334		\$0	\$2,334	Not Budgeted Originally
695.000	False Alarm Revenue	\$1,000		\$1,000	\$2,000	
	TOTAL REVENUE	\$3,624	\$2,000			
742.000	Fuel	\$49,000		\$0	\$49,000	New Department
	Total Dept. 264 - Vehicles	\$49,000	\$0			
920.000	Utilities	\$46,500		\$0	\$46,500	New Department
	Total Dept. 265 - Building & Grounds	\$46,500	\$0			
702.007	Chief Salary		\$27,500	\$41,731	\$14,231	Not Required
702.008	Chief Additional Hours		\$8,000	\$8,000	\$0	Not Required
702.009	Fire Marshall Salary		\$13,700	\$23,019	\$9,319	Not Required
740.000	Operating Supplies		\$20,000	\$40,000	\$20,000	New Department Added
920.000	Utilities		\$24,000	\$24,000	\$0	New Department Added
930.000	Repairs & Maintenance		\$30,000	\$30,000	\$0	New Department Added
983.000	Debt Interest		\$22,000	\$33,254	\$11,254	
	Total Dept. 336 - Fire Operations	\$0	\$145,200			
890.000	Contingencies		\$10,000	\$10,000	\$0	Not Required
985.000	Tax Chargebacks		\$13,000	\$15,000	\$2,000	
	Total Dept. 890 - Contingencies	\$0	\$23,000			
	TOTAL EXPENDITURES	\$95,500	\$168,200			
965.010	Transfer to Building Reserve	\$74,324		\$37,185	\$111,509	Increase in Transfer
BUILDING FUND:						
610.000	Charges for Services	\$96,000		\$120,000	\$216,000	More Permits
610.075	106 Inspection	\$475		\$0	\$475	
	TOTAL REVENUE	\$96,475	\$0			
703.000	Contract Services	\$4,600		\$7,000	\$11,600	More Inspections
716.000	Insurance	\$3,500		\$17,974	\$21,474	
	Total Dept. 371 - Safety Inspection	\$8,100	\$0			
	TOTAL EXPENDITURES	\$8,100	\$0			

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699.025	Appropriations from Reserves		\$66,363	\$66,363	\$0	Not Required
965.000	Transfer to Reserves	\$22,012		\$0	\$22,012	Transfer to Reserves

LAW ENFORCEMENT FUND:						
402.000	Property Tax		\$1,500	\$1,214,542	\$1,213,042	Actual
402.050	Pilot Program	\$200		\$4,613	\$4,813	Actual
403.050	Prior Years Taxes	\$1,048		\$0	\$1,048	Not Budgeted Originally
660.000	Fines & Forfeits		\$15,000	\$35,000	\$20,000	
695.000	False Alarm Revenue		\$2,000	\$4,000	\$2,000	
	TOTAL REVENUE	\$1,248	\$18,500			
703.000	Regular Sheriff's		\$13,000	\$1,536,210	\$1,523,210	Banked Hours
930.000	Repairs & Maintenance	\$500		\$500	\$1,000	
	Total Dept. 310 - Crime Control	\$500	\$13,000			
985.000	Tax Chargebacks		\$10,000	\$10,800	\$800	Not Required
	Total Dept. 890 - Contingencies	\$0	\$10,000			
	TOTAL EXPENDITURES	\$500	\$23,000			
699.000	Appropriations from Reserves		\$5,248	\$91,256	\$86,008	Increase in Appropriation

PARK FUND:						
607.085	Reimb. For Labor	\$317		\$500	\$817	
664.050	Interest on Reserves	\$800		\$0	\$800	Funds in Interest Bearing Accounts
695.050	Donations		\$100	\$100	\$0	
	TOTAL REVENUE	\$1,117	\$100			
702.001	Commissioners Salaries		\$3,270	\$9,000	\$5,730	Not Required
717.000	Taxable Benefits		\$1,350	\$3,449	\$2,099	Cost Split Change
801.000	Professional Services		\$900	\$2,200	\$1,300	
850.000	Telecommunications		\$300	\$1,300	\$1,000	
900.000	Printing & Publishing		\$100	\$100	\$0	Not Required
977.000	Equipment		\$300	\$1,250	\$950	Not Required
	Total Dept. 751 - Administration	\$0	\$6,220			
951.000	Projects		\$1,030		(\$1,030)	Not Required
	Total Dept. 756 - Park Dev/Improvements	\$0	\$1,030			
	TOTAL EXPENDITURES	\$0	\$7,250			
965.000	Transfer to Reserves	\$8,267		\$0	\$8,267	Transfer

11. PAYMENT OF BILLS

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It was moved by Caviston, seconded by Lewis, that the bills be paid as submitted in the following amounts: General - \$ 1,000.00. Further, that the Record of Disbursements be received.

The motion carried by a unanimous voice vote.

12. PLEAS AND PETITION

There were none.

13. ADJOURNMENT

It was moved by Caviston, seconded by Green, that the meeting be adjourned. The motion carried by a voice vote and the meeting adjourned at 9:10 p.m. .

Respectfully submitted,

David Phillips, Clerk

Kenneth Schwartz, Supervisor

WASTEWATER CONVEYANCE AND DISPOSAL CONTRACT

Ypsilanti Community Utilities Authority & Superior Charter Township

This contract is made and entered into by and between:

The **Ypsilanti Community Utilities Authority**, a municipal corporation, constituted under Act 233 of 1955, as amended, Michigan Compiled Laws, located in the County of Washtenaw, State of Michigan (“YCUA”); and,

Superior Charter Township, a municipal corporation, located in the County of Washtenaw, State of Michigan (“Superior”).

1.0 ACKNOWLEDGMENTS

1.1 YCUA is the owner and operator of a wastewater collection system and wastewater treatment plant in Ypsilanti Township in Washtenaw County.

1.2 Superior is, at present, a wastewater collection and wastewater treatment customer of YCUA pursuant to a Wastewater Disposal Contract, dated October 18, 1982, a Supplementary Wastewater Disposal Contract, dated October 20, 1983, and an Amendment to Wastewater Disposal Contract, dated March 20, 1989, (“the existing contract, as amended”).

1.3 The existing contract, as amended, expired on October 17, 2012, and the parties have operated under the terms and conditions of the existing contract, as amended, since that expiration date.

1.4 The amount of wastewater that Superior sends to YCUA and the amount of Superior wastewater that YCUA collects, conveys, and treats is limited to an average of 2.14 million gallons per day (“MGD”) under the existing contract, as amended.

1.5 Superior needs and wishes to continue to send an amount of wastewater to YCUA and YCUA is willing to accept up to 2.25 MGD of Superior wastewater through a portion of the YCUA collection system for treatment at and by the YCUA wastewater treatment plant. (“WWTP”).

1.6 Therefore, the parties intend to and hereby revoke and terminate the existing contract, as amended, and to simultaneously enter into this Wastewater Conveyance and Disposal Contract.

2.0 CONTRACT TERM AND BASIC AGREEMENT

2.1 The existing contract, as amended, is hereby terminated and recognized by the parties to be null, void and of no effect, as of the effective date of this contract.

2.2 The effective date of this contract shall be September 1, 2014. Thereafter, this contract shall continue in effect for thirty (30) years from and after the effective date, unless terminated earlier as provided for in this contract.

2.3 YCUA agrees to provide wastewater collection, conveyance, and treatment services under this contract limited to wastewater generated from the geographical area within Superior identified and described in **Appendix A**, which is attached to and incorporated into this contract. Superior may not contract with another utility for such services for wastewater generated within this geographical area without prior written approval from YCUA.

2.4 Subject to the terms, conditions and limitations of this contract, YCUA agrees to accept into its wastewater collection system and its WWTP an annual daily average flow of 2.25 MGD of Superior residential, commercial, institutional and industrial wastewater and YCUA shall reserve sufficient capacity (“the allocated capacity”) within its applicable collection system and WWTP to satisfy this provision throughout the term of this contract. (“Annual daily average flow” is defined in Section 4 of this contract.)

2.5 If, during the term of this contract, Superior seeks additional allocated capacity and such capacity is available in the necessary collection system and the WWTP, additional allocated capacity shall be made available to Superior under a new contract with terms and conditions mutually agreed to by the parties, in each party’s discretion. If, during the term of this contract, the wastewater treatment plant is expanded by YCUA and/or other wastewater treatment customers, to create and provide for additional treatment capacity by the wastewater treatment plant, Superior shall not be obligated to participate in such an expansion project, but shall be offered the opportunity to do so, in YCUA’s discretion, on terms and conditions mutually agreed to by the parties.

3.0 USER CHARGE SYSTEM

3.1 In consideration for the wastewater conveyance and wastewater disposal services provided by YCUA to Superior under this contract, Superior agrees to the User Charge System set out and defined in this Section.

WWTP Debt Service & Collection System Debt

3.2 Superior shall pay its share of **WWTP debt service and collection system debt service** existing on the date of this contract as provided in this Section.

3.2.1 That share of WWTP debt service shall be based on Superior's allocated capacity of 2.25 MGD of the existing WWTP capacity of 51.2 MGD, less any portion of that capacity allocated to WTUA.

3.3 Superior shall pay its share of all **WWTP and collection system bonds** issued after the date of this contract, for improvements to which Superior is tributary, as provided in this Section.

3.3.1 That share of **WWTP bonds** shall be based on Superior's allocated capacity of 2.25 MGD of the existing WWTP capacity of 51.2 MGD, less any portion of that capacity allocated to WTUA.

3.3.2 That share of **collection system bonds** shall be calculated using a fraction with the numerator being the additional peak flow contributed by Superior to the subject collection system bonded capital improvement and the denominator being the total additional capacity derived from the subject collection system bonded capital improvement.

Pay-As-You-Go Capital Expenditures

3.4 Superior shall pay its share of **pay-as-you-go capital expenditures**, which shall include all expenditures for capital improvements to the WWTP and/or the collection system and expenditures for equipment and vehicles that are not bonded and are not included within the capital expenditures addressed and allocated under paragraphs 3.3 and 3.5 of this contract, as provided in this Section.

3.4.1 That share of expenditures for such **capital improvements** shall be calculated using a fraction with a numerator being Superior's allocated capacity (2.25 MGD) and the denominator being WWTP capacity, less all capacity allocated to WTUA.

3.4.2 That share of expenditures for such **equipment and vehicles** shall be calculated using a fraction with a numerator being the total flow from Superior and the denominator being the total flow into the WWTP for the YCUA fiscal year, less all WTUA flow.

Reserves

3.5 Superior shall pay its share of **reserves** including the Environmental Protection Agency ("EPA") Reserve, the WWTP Reserve, the Environmental Reserve and the Collection System Reserve as provided in this Section.

3.5.1 The **EPA Reserve** is that restricted annual reserve required by the EPA for the existing WWTP. Superior shall pay its share of that Reserve as provided below as long as funding of the Reserve is required by the EPA.

3.5.2 Superior's share of the **EPA Reserve** shall be calculated using a fraction with the numerator being the total flow from Superior and the denominator being the total flow into the WWTP for the YCUA fiscal year.

3.5.3 The **WWTP Reserve** is that reserve established for the purpose of financing major equipment, improvements and enhancements to the WWTP and its operations which are capital expenditures and which are not eligible for funding from the EPA Reserve identified above. This Reserve shall not be utilized for a general reconstruction and/or replacement of the existing WWTP. The amount included in this Reserve shall be established by the YCUA Board annually after the fiscal year and will be applicable to the next succeeding fiscal year beginning the following September 1. The YCUA Board shall evaluate the funded status of this Reserve as compared to projected expenditure requirements to determine the unit surcharge, which shall be a uniform surcharge for all metered use. The unit surcharge for this Reserve shall not increase by more than 25% in any year. The total WWTP Reserve shall not exceed Three Million (\$3,000,000) Dollars. All interest earned by this Reserve account shall be credited to the account. Should YCUA determine a requirement greater than these limitations, YCUA shall notify Superior and a mutually acceptable level of funding shall be negotiated. Superior shall be notified in writing within ninety (90) days of all planned expenditures from this account.

3.5.4 Superior's share of the **WWTP Reserve** shall be calculated using a fraction with the numerator being the total flow from Superior and the denominator being the total flow into the WWTP for the YCUA fiscal year.

3.5.5 The **Environmental Reserve** is that restricted reserve established for the purpose of paying environmental liabilities. Superior shall pay its share of this Reserve as long as funding of the Reserve is required by YCUA.

3.5.6 Superior's share of the **Environmental Reserve** shall be calculated using a fraction with a numerator being the total flow from Superior and the denominator being the total flow for the Ypsilanti Township Division of YCUA only.

3.5.7 The **Collection System Reserve** is that reserve established for the purpose of financing improvements and enhancements to the Ypsilanti Township Division's collection system which are capital expenditures and which are not financed by a bond issue.

3.5.8 Superior's share of the **Collection System Reserve** shall be calculated using a fraction with the numerator being the total flow from Superior and the denominator being the total flow into the WWTP for the YCUA fiscal year, excluding all flow from WTUA and the City of Ypsilanti Division of YCUA. The amount included in this Reserve shall be established by the YCUA Board annually after the fiscal year and will be applicable to the next succeeding fiscal year starting the following September 1. The YCUA Board shall evaluate the funded status of this Reserve as compared to projected expenditure requirements to determine the unit surcharge, which shall be a uniform surcharge for all metered use. The unit surcharge for this Reserve shall not increase by more than 25% in any year. Should YCUA determine a requirement greater than this limitation, YCUA shall notify Superior and a mutually acceptable level of funding shall be negotiated. Superior shall be notified in writing within ninety (90) days of all planned expenditures from this account. All interest earned by this Reserve account shall be credited to the account.

3.5.9 Any and all additional reserve accounts pertaining to the WWTP or the collection system established by YCUA in consultation with Superior or required by state or federal government requirements shall be funded according to the terms of such requirement and consistent with the provisions of this contract. All Reserve accounts shall be restricted in their use to the purposes for which they are established and all interest earned by each account shall be credited to that account and each account shall be controlled by YCUA.

3.5.10 A unit charge for each Reserve identified in this Section shall be established annually and presented to Superior and shall be incorporated with the O&M rate.

Operation & Maintenance Costs

3.6 Superior shall pay its share of the **operation and maintenance ("O&M") costs** of operating the WWTP and the collection system as provided in this Section.

3.6.1 That share of **O&M for the WWTP** shall be calculated using a fraction with the numerator being the total flow from Superior and the denominator being the total flow into the WWTP for the YCUA fiscal year.

3.6.2 The costs included in **O&M for the WWTP** shall be the portion of actual WWTP expenses directly related to processing wastewater, including the following items: fleet expense (WWTP portion only), sewer treatment expense, and general and administrative expense (WWTP portion only). This total will then be divided in accordance with the fraction defined in 3.6.1, above. The Superior share will then be

converted to a billable unit, expressed in a cost per hundred cubic feet.

3.6.3 That share of **O&M for the collection system** shall be calculated using a fraction with the numerator being the total flow from Superior and the denominator being the total flow into the WWTP for the YCUA fiscal year, excluding all flow from WTUA and the City of Ypsilanti Division of YCUA.

3.6.4 The costs included in **O&M for the collection system** shall be expenses directly related to conveying wastewater from Superior to the WWTP, including the following items: the Ypsilanti Township Division's share of the following categories: wastewater pump stations, the collection system portion of transmission and distribution (T&D), and the collection system portion of general and administrative expenses. This total will then be divided in accordance with the fraction defined in 3.6.3, above. Superior's share will then be converted to a billable unit, expressed in a cost per hundred cubic feet.

3.6.5 The parties acknowledge the publication of Government Accounting Standards Board (GASB) Statement 68 as to pension benefit expenses and that the status quo and current practice as to Superior's payment of its flow-based share of such expenses shall be maintained. Therefore, effective for YCUA's 2014-15 fiscal year, Superior shall not pay its flow-based share of YCUA's "annual required contribution" (ARC) for pension benefits but shall pay its flow-based share of YCUA's "unfunded actuarial accrued liability" (UAAL) for pension benefits pursuant to and as implemented under GASB Statement 68. That share shall be paid in equal monthly installments through the term of this 30-year contract, at zero percent interest. These payments shall be applied to YCUA's UAAL for pension as required and in accordance with generally accepted accounting principles (GAAP).

3.6.6 The parties acknowledge the possibility of future GASB Statement(s) as to "other post-employment benefits" (OPEB) and that the status quo and current practice as to Superior's payment of its flow-based share of such expenses shall be maintained. Therefore, effective in the year of implementation of any future GASB Statement(s) that require YCUA to record its UAAL for OPEB, Superior's payment of its flow-based share of YCUA's ARC for OPEB shall be replaced with Superior's payment of its flow-based share of YCUA's UAAL for OPEB, with a method of payment like that provided for in paragraph 3.6.5, above.

3.6.7 If a balance remains due on Superior's share of YCUA's UAAL for pension or OPEB at the time of an early termination of this contract or at the end of the term of this contract, that balance shall be paid in full no later than 60 days after the date

of that termination.

3.6.8 The parties acknowledge that Paragraphs 3.5.6, 3.6.6 and 3.6.7 shall not be applicable if YCUA incorporates an internal service fund or funds into its financial statements to account for YCUA wastewater treatment plant operating expenses, including pension and OPEB expenses, which is an alternate means of preserving and maintaining the status quo of Superior's payment of its flow-based share of such operating expenses.

Contingency Charge

3.7 Superior shall pay a **Contingency Charge** fee to compensate YCUA for the organizational structure, including the YCUA Board of Commissioners, necessary to operate and maintain those facilities required by and for the period of this contract, as well as maintain and commit its resources to this contract and the risks to YCUA associated with the obligations assumed under this contract as provided in this Section.

3.7.1 That fee for O&M for the WWTP shall be five (5%) percent of the amount calculated under paragraphs 3.6.1 and 3.6.2, above.

3.7.2 That fee for O&M for the collection system shall be five (5%) percent of the amount calculated under paragraphs 3.6.3 and 3.6.4, above.

Look Back Procedure

3.8 The O&M and Reserve rates and the pay-as-you-go capital expenditures provided for in Sections 3.4, 3.5, and 3.6, shall be subject to a look-back procedure and adjustment on an annual basis, as provided in 3.8.1, 3.8.2 and 3.8.3.

3.8.1 These rates and capital pay-as-you-go expenditures shall be adjusted annually every June after the fiscal year-end, based on audited costs for the fiscal year and will be applicable to the next succeeding year, beginning the following September 1.

3.8.2 By June 1st of each year, a look-back recalculation of these rates and capital pay-as-you-go expenditures shall be prepared based on the most recent audited financial statements of YCUA and an adjustment for the shortage or overage will be made to the appropriate party. That adjustment will be charged or refunded ratably over the remaining months of YCUA's fiscal year, June through August, or, at either party's option, may be charged or refunded ratably over the twelve months of YCUA's next fiscal year, September through August.

3.8.3 Superior shall have the right to inspect and review the data, background information, facts and documents that support and form the basis for the calculations and results reached under paragraphs 3.8.1 and 3.8.2, above.

4.0 WASTEWATER FLOW MEASUREMENT AND METERING

4.1 “Annual daily average flow” shall be defined as the total amount of flow delivered by Superior during the YCUA fiscal year (September 1 through August 31) divided by the number of days within the fiscal year in which flow is delivered.

4.2 Superior’s peak hour flow may not exceed four (4) times annual daily average flow. “Peak hour flow” shall be defined as the flow rate reached in any given hour, consistent with the standards and provisions of the *Recommended Standards for Wastewater Facilities*, 2004 Edition, as amended, Great Lakes - Upper Mississippi River Board of State Public Health and Environmental Managers.

4.3 If Superior’s peak hour flow exceeds the limit of four (4) times annual daily average flow as provided in paragraph 4.2, above, Superior shall be subject to charges of four (4) times the User Charge System rates of this contract for every day on which that limit is exceeded. YCUA reserves the right to install meters, temporary or otherwise, of a type and at locations generally accepted as a means of measuring wastewater flow rates, for the purpose of determining whether Superior is or has exceeded the limit established in paragraph 4.2, above.

4.4 All flow of wastewater from Superior shall be measured and reported as provided in this Section.

4.4.1 By the 10th of every month YCUA shall read all Superior water meters that measure water sold to Superior by YCUA. Each such reading of total water flow per month shall be equal to the total wastewater flow per month under this contract and shall be the basis for the monthly invoices under this contract, in units of “100 cubic feet.”

4.4.2 Annually, YCUA shall compute the total annual flow of wastewater entering the YCUA system based on actual Superior sewer service billing statements and records. This annual figure of total flow from Superior shall be the numerator used in those fractions identified in this contract for the purpose of calculating Superior’s percent of total flow. This actual flow for the year, as opposed to the monthly amounts provided for in paragraph 4.4.1, above, will be used in the look-back procedure of section 3.8, above.

4.4.3 Superior shall have the right to inspect and review the data, background information, facts and documents that support and form the basis for the calculations and results reached under paragraphs 4.4.1 and 4.4.2, above.

4.5 YCUA has installed sewage meters that will measure actual wastewater flow from Superior to YCUA. YCUA reserves the right to require Superior to install and maintain sewage meters at locations specified by YCUA to measure actual flow of wastewater from Superior to YCUA. If YCUA requires Superior to install and maintain sewage meters, Superior shall have a reasonable amount of time in which to complete such installation(s). After such sewage meters are installed and calibrated, by YCUA and/or Superior, the flow based rates of the User Charge System of this contract shall be based on actual flow as measured by such sewage meters.

4.6 All meters, sewer or water, relevant to implementation of this contract shall be maintained by YCUA at Superior's expense. YCUA may inspect and field test all such meters on an annual basis or more frequently, with adequate notice to Superior, in the presence of Superior representatives. If a water meter under this contract has a registration error in excess of two (2) percent, appropriate adjustments shall be made in the next succeeding billing. Sewage meters under this contract, after installation and use begins, shall be calibrated dye-testing or other means to establish an adjustment factor for each sewage meter. Thereafter, each meter shall be calibrated on a periodic basis and the adjustment factor shall be updated accordingly after each periodic test and appropriate adjustments shall be made in the next succeeding billing. All costs incurred by YCUA for inspections, field testing or adjustments shall be paid by Superior within thirty (30) days of receipt of an itemized billing statement.

4.7 The parties understand and hereby acknowledge that the means by which actual wastewater flow from Superior to YCUA is measured, reported and invoiced, as provided in this contract, is subject to change by mutual, written agreement between the parties.

5.0 BILLING

5.1 YCUA shall bill Superior on or before the 15th day of each month for all charges under this contract for the preceding calendar month. Payments are due and shall be made, in full, on or before thirty (30) days after the date of each billing statement. A ten (10%) percent late payment charge shall be added to any billing statement that is unpaid thirty (30) days after the last date on which payment may be made on that billing statement. All payments made to YCUA under this contract will be first applied to billing statements in arrears and then to current billing statements. Failure by Superior to pay a billing statement within forty-five (45) days from the last day on which the statement may be paid may result in termination of this contract and all services provided pursuant to this contract, in YCUA's sole discretion.

5.2 The User Charge System of this contract and billing thereunder shall commence and be effective on September 1, 2014. A look back for YCUA's fiscal year (9/1/2014 to 8/31/2015) will be conducted, prepared and provided to Superior in the normal course and as provided for in Section 3.8, above, that documents any back charges or credits as a result of said retroactive effective date. Prior to September 1, 2014, Superior shall be billed under the existing contract, as amended, and consistent with the procedure presently existing between the parties.

5.3 For the balance of the current YCUA fiscal year the User Charge System rate ("the initial User Charge System rate") shall be established based on those figures and estimates provided in **Appendix B**. It is understood by the parties that **Appendix B** is based on estimated flows and costs only, and will be used for the purposes of establishing the initial User Charge System rate and for illustrative purposes only. The initial User Charge System rate is subject to change, by mutual agreement and contract of the parties, prior to the end of YCUA's current fiscal year based on actual flow and/or costs figures.

6.0 SYSTEM CONNECTIONS & CONSTRUCTION

6.1 All costs entailed in the construction of a system or system component to transport wastewater from Superior to the Ypsilanti Township boundary of YCUA collection system shall be borne solely by Superior.

6.2 YCUA shall have no obligation whatsoever to construct, procure, install or maintain sanitary sewers or appurtenant facilities in Superior nor shall YCUA have any control over or liability arising out of the operation thereof. Superior shall have no obligation whatsoever to construct, procure, install or maintain sanitary sewers or appurtenant facilities or operations in jurisdictions outside of Superior nor shall Superior have any control over or liability arising out of the operation thereof, except as otherwise provided in this contract.

6.3 Superior may, from time to time, request that YCUA perform repair, replacement, inspection, maintenance, surveillance or monitoring services within Superior Township and YCUA agrees to provide these services at agreed upon rates, assuming YCUA has the capacity to do so, and Superior agrees to pay related billing statements within thirty (30) days of receipt.

6.4 All current connections from Superior to the YCUA collection systems are identified in **Appendix C**. Future connections, if any, to the YCUA collection system for the purpose of providing the services contemplated by this contract shall be made at points to be determined through negotiation and contract between the parties. The cost of constructing any future connection that will benefit Superior only shall be borne solely by Superior. The cost of any such connection benefitting Superior and any other entity shall be paid proportionately. Any such connection shall be

subject to inspection and approval by YCUA of the work performed. Approval by YCUA shall not be unreasonably withheld. The reasonable cost of such inspection by YCUA shall be paid for by Superior.

7.0 WASTEWATER QUALITY

7.1 Superior shall enact and shall maintain in effect, throughout the term of this contract, a Sewer Use Ordinance similar in all material respects and provisions to the current Sewer Use Ordinance of the Charter Township of Ypsilanti, (“Ypsilanti Township”), as amended from time to time. YCUA shall provide to Superior copies of any and all amendments to the Ypsilanti Township Sewer Use Ordinance and Superior shall then be obligated to enact similar amendments to its Sewer Use Ordinance in all material respects and provisions.

7.2 All wastewater transmitted by Superior to YCUA for treatment shall be in conformity with applicable state, federal and local statutes and/or regulations, including the Ypsilanti Township Sewer Use Ordinance, as amended from time to time.

7.3 If YCUA determines that objectionable wastewater emanating from individual connections in Superior is flowing into the YCUA wastewater disposal system in violation of the applicable Sewer Use Ordinance, YCUA may require Superior to cut off and terminate the flow of wastewater from the offending premises and to take all steps necessary to accomplish this result. YCUA shall give Superior reasonable notice of such determination with the length of such notice dependent upon the seriousness of the harm done to the YCUA wastewater disposal system and/or to the general health and safety of the public. The flow and treatment of wastewater from the identified premises may be restored only after it has been determined that the objectionable wastewater has been eliminated from the identified premises.

7.4 Superior shall not deliver to YCUA for treatment any wastewater containing leachate.

7.5 Superior will be subject to and YCUA shall collect surcharge fees for excess suspended solids, BOD5, phosphates, total nitrogen, and any other excess substances in Superior wastewater in accordance with the schedule appearing in the Charter Township of Ypsilanti Sewer Use Ordinance, as amended from time to time, assuming adequate notice of said Ordinance and any amendments thereto, to Superior.

7.6 Pursuant to federal and state law and regulation YCUA administers an Industrial Pretreatment Program (IPP) to ensure that industrial wastewater discharged into the YCUA wastewater collection and treatment system does not cause harm to the wastewater collection, treatment system or WWTP. Pursuant to this contract and a separate written Delegation Agreement between the parties, YCUA shall administer its IPP program within the geographical area of Superior

identified in **Appendix A**, and any additional area approved and agreed to by the parties in writing.

7.7 If Superior wastewater causes odor, odorous gases and/or corrosive gases in the WWTP or the YCUA or Superior collection systems or is otherwise in violation of this Section, Superior shall, after notice from YCUA, take appropriate and necessary measures to eliminate same, including but not limited to, the placement of appropriate additives in Superior's wastewater. If Superior fails to timely take such measures, YCUA shall have the right to take such appropriate and necessary measures at Superior's expense and/or to cut off and terminate the offending flow of wastewater and to take all steps necessary to accomplish this result, and/or may terminate this contract, in YCUA's discretion.

8.0 INDEMNIFICATION

8.1 To the extent permitted by law, Superior shall indemnify and save or keep harmless, YCUA, the City of Ypsilanti, the Charter Township of Ypsilanti, and all of their employees, agents, and Council or Board members ("the indemnified parties") from and against all liability of any nature whatsoever, regardless of the nature in which liability may arise, for any and all claims, actions, demands, expenses, damages, and losses of every conceivable kind whatsoever, including, but not limited to, for injuries or death to a person(s), damages to the environment including, but not limited to, damages or liabilities under current or future state, federal or local statutes or regulations, damages to or for loss of property asserted by or on behalf of any person, firm, corporation or government arising out of the discharge of wastewater by Superior to the YCUA wastewater disposal system and/or plant in violation of the laws, rules or regulations applicable to Superior for such discharge or any change in federal, state, and/or local laws, rules or regulations applicable to the acceptance, transmittal or processing of wastewater by Superior which may result in the imposition of liability on one or more of the indemnified parties as a result of YCUA's acceptance of wastewater from Superior.

8.2 It is the intent of the parties, to the extent permitted by law, that the indemnified parties be held harmless by Superior from liability for YCUA's acceptance of wastewater from Superior for such claims, actions, demands, expenses, damages and losses however caused or however arising, whether in a judicial, administrative proceeding or otherwise including, but not limited to, such claims, actions, demands, expenses, damages and losses described in paragraph 8.1.

8.3 In any action or proceeding brought about by reason of any such claim or demand, Superior shall, to the extent permitted by law, also pay, indemnify and save the indemnified parties harmless from and against all sums required to be paid by reason of said claims or demands as well as costs, attorney fees, expert witness fees or court costs, and distributions of any kind or nature, incidental to or incurred in defense of said action or proceeding.

9.0 ARBITRATION OF DISPUTES

9.1 All claims, counter claims, disputes and other matters in question between the parties arising out of or relating to this contract or any alleged breach of this contract will be decided by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then pertaining, subject to the limitations and restrictions stated in Section 9.3 and 9.4 below. This contract to arbitrate and any other contract or consent to arbitrate entered into in accordance with this contract will be specifically enforceable under the prevailing arbitration law of any court having jurisdiction.

9.2 Notice of demand for arbitration must be filed in writing with the other party to this contract and with the American Arbitration Association. The demand must be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event may the demand be made more than one year from the date on which the claim, dispute or other matter accrued. The claim, dispute or other matter shall be deemed to have accrued at the time the parties asserting the claim, dispute or other matter either knew or, by exercise of reasonable diligence, should have known of the existence of such claim. After the expiration of said one year period, the claim in question shall be barred from arbitration.

9.3 No arbitration arising out of or relating to this contract may include, by consolidation or in any other manner, any person or entity who is not a party to this contract.

9.4 The award rendered by the arbitrator(s) will be final, not subject to appeal, except as provided by the laws of the State of Michigan and judgment may be entered upon such award in any court having jurisdiction thereof.

9.5 Notwithstanding anything to the contrary contained herein, either party may request equitable remedies including, but not limited to, injunctive relief and writ of mandamus, without first having to submit to arbitration.

9.6 The parties agree that venue for all claims, whether subject to arbitration or not, shall be in the Washtenaw County Circuit Court.

10.0 GENERAL PROVISIONS

10.1 All notices hereunder are deemed given when mailed by first class mail, postage pre-paid, or personally delivered as follows:

For YCUA

Ypsilanti Community Utilities Authority
Attention: Director
2777 State Street
Ypsilanti, MI 48198

For Superior

Superior Charter Township
Attention: Superior Township Supervisor
3040 North Prospect
Ypsilanti, MI 48198

10.2 YCUA and Superior may, by notice given pursuant to this contract, designate any further or different addresses or persons to which subsequent notices or other communication shall be sent under this contract.

10.3 This contract constitutes the entire contract between the parties and all previous communications between the parties, whether written or oral with reference to the subject matter of this contract, are hereby canceled and superseded.

10.4 If any provision of this contract violates any law, the remaining provisions of this contract shall continue in full force and effect.

10.5 This contract shall be interpreted and construed in all respects in accordance with the laws of the State of Michigan.

10.6 This contract has been jointly drafted by the parties and, therefore, shall be construed and interpreted accordingly.

10.7 Failure or delay in performance of this contract by either party shall not be deemed to be a breach thereof when such failure or delay is occasioned by or due to any act of God, labor strike, lock-out, war, riot, epidemic, explosion, terrorism, 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 enumerated here or otherwise, not within the control of the party claimed to be responsible for such failure or delay or other similar alleged breach of this contract.

10.8 Without the prior written consent of the governing body of either party, neither this contract nor any interest created by this contract nor any claim arising under this contract shall be

transferred or assigned by either party.

10.9 The parties agree and it is specifically understood that Superior's payment of a combination of flow based and capacity based rates under the User Charge System of this contract, including payment of a portion of existing debt service and future debt service on collection system and WWTP improvements and modifications, does not and shall not confer upon Superior any right, title or interest in the collection system or the WWTP or any capacity therein, except as specified and limited in this contract for the term of this contract.

10.10 This contract does not create or vest any rights or privileges in any third party not a party to this contract. Notwithstanding any other provision of this contract, this contract, nor actions taken by either party under this contract, will not and shall not be construed by any third party or any court of law as vesting any rights or privileges in any third party under any circumstances.

10.11 The Section and paragraph captions of this contract are included herein for convenience only and are not intended by the parties, and are not to be used, for the purpose of contract interpretation or construction.

10.12 This contract may not be amended, revised or otherwise modified except by a written document, signed by each party, and formally and properly approved and authorized by the governing body of each party.

10.13 No delay, omission or failure of a party to exercise any right or power under this contract or to insist upon strict compliance with any obligation of this contract, and no custom or practice of the parties at variance with the terms and conditions of this contract shall constitute a waiver of a party's right to demand exact compliance with the terms of this contract.

10.14 This contract may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument. Signatures on execution pages of this Contract that are sent to the other party by facsimile or by e-mail of scanned copies shall be binding as evidence of such signatory's agreement to and acceptance of the terms of this contract.

10.15 The parties acknowledge that the Wiard-Clark Interceptor is owned, operated and maintained by Superior and that wastewater generated in and by YCUA's member-community, the Charter Township of Ypsilanti, flows through the Wiard-Clark Interceptor from the intersection of Clark and Dawn to the intersection of Clark and Wiard ("the shared portion of the Wiard-Clark Interceptor"). As a result, YCUA is responsible for a portion of the costs incurred by Superior for operating and maintaining, and for major repairs to, the shared portion of the Wiard-Clark Interceptor. Therefore, the parties agree as follows:

10.15.1 YCUA will pay twenty-eight and three quarters percent (28.75%) of Superior's costs of operating and maintaining the shared portion of the Wiard-Clark Interceptor;

10.15.2 YCUA will pay twenty-eight and three quarters percent (28.75%) of the cost of all major repairs to the shared portion of the Wiard-Clark Interceptor and "major repair," as used in this paragraph, shall mean any repair of the shared portion of the Wiard-Clark Interceptor, the cost of which exceeds \$5,000; and,

10.15.3 Superior shall provide invoices to YCUA under paragraphs 10.15.1 and 10.15.2 on no less than an annual basis, including supporting documentation of Superior's costs, subject to YCUA's review and approval before payment, which approval shall not be unreasonably withheld.

10.16 The parties acknowledge and agree that: the sole sewer line that connects the Charter Township of Ypsilanti Recreation Center and Green Oaks Golf Course to the Wiard-Clark Interceptor, passes through a portion of Superior Township before connecting to the Wiard-Clark Interceptor; that sewer line is owned, operated and maintained by YCUA; and, YCUA is responsible for and shall pay 100% of the cost of operating, maintaining and repairing that sole sewer line.

IN WITNESS WHEREOF, the parties have set their hands to this contract the day and year here written.

In the Presence of:

**YPSILANTI COMMUNITY UTILITIES
AUTHORITY**

By:
Its:

Date

By:
Its:

Date

In the Presence of:

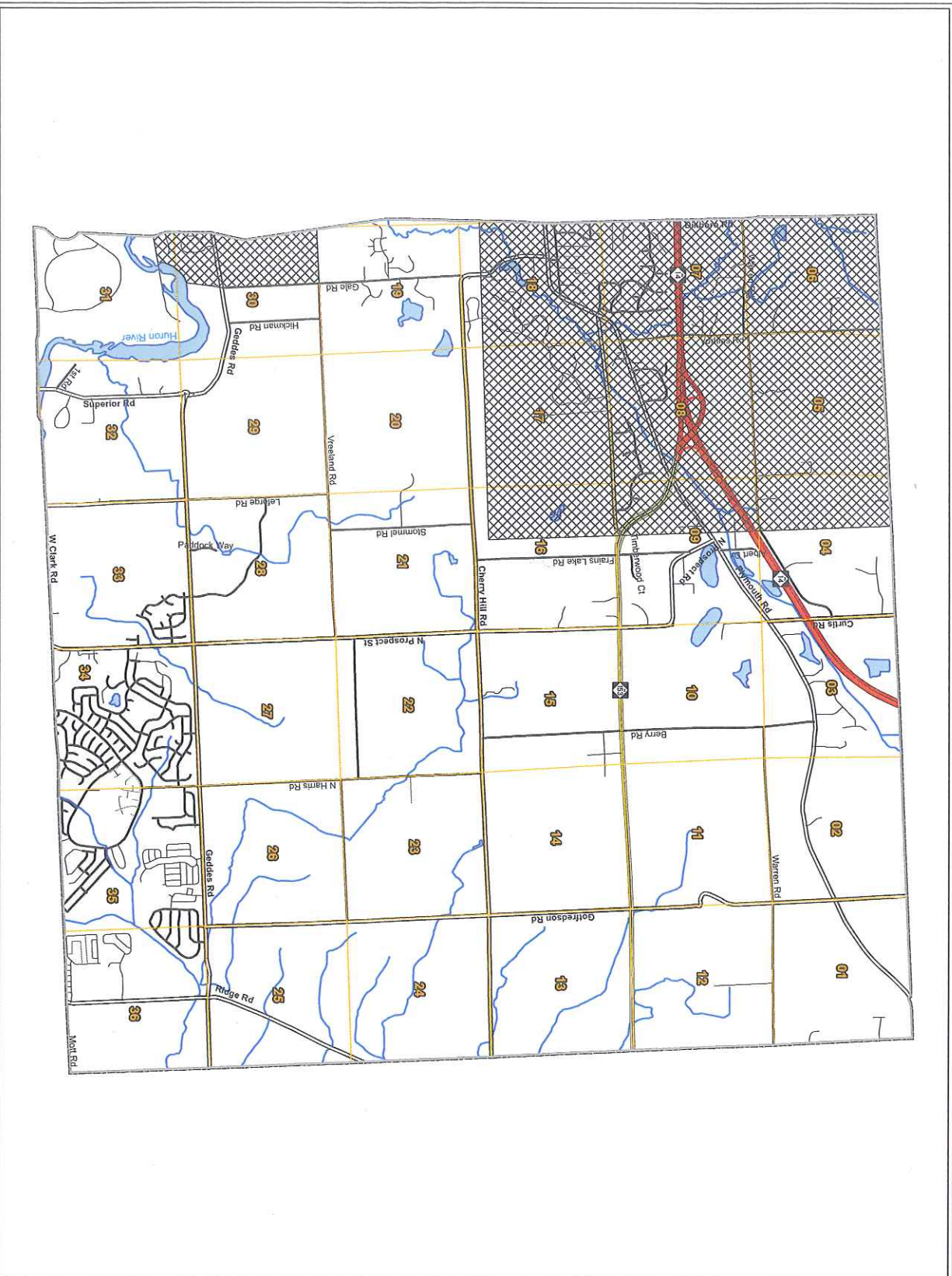
SUPERIOR CHARTER TOWNSHIP

By:
Its:

Date

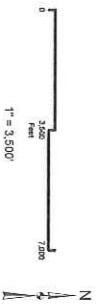
By:
Its:

Date



SUPERIOR TOWNSHIP
APPENDIX A
Superior Township
Service Area

- Legend**
- Water Course
 - Water Body
 - Superior Twp Boundary
 - Section Lines
 - This area may be excluded from the Tpsitli Community Utilities Authority service area



Source: Data provided by Washtenaw County and Superior Township. OHM Advisors does not warrant the accuracy of the data under the terms of this agreement. The user assumes all liability for the location of the mapped features within the Community and all use is strictly at the user's own risk.

Coordinate System: NAD 1983 StatePlane Michigan South FIPS 2113 UTM

Map Published: April 22, 2014

WASTEWATER CONVEYANCE AND DISPOSAL CONTRACT

Ypsilanti Community Utilities Authority & Superior Charter Township

EFFECTIVE DATE – SEPTEMBER 1, 2014

APPENDIX B

Appendix B

12/10/2014

YPSILANTI COMMUNITY UTILITIES AUTHORITY Superior Township estimated/projected rate computation

For the year ending August 31, 2014
Based on data from August 31, 2014 budget

PROJECTED OPERATING AND MAINTENANCE COSTS

WWTP O&M costs	\$ 10,757,642
Collection System O&M	1,896,135
Total	\$ 12,653,777

ESTIMATED FLOWS

City	111,000,000	cu.ft.	11.3%
Township	423,508,433	cu.ft.	43.0%
WTLUA	415,000,000	cu.ft.	42.1%
Superior	36,000,000	cu.ft.	3.7%
Total	985,508,433	cu.ft.	100.0%

	2013/14 Rate per 100 cu.ft.	2013/14 Projected Revenue
User Charge- Superior		
O & M rate - WWTP	\$ 1.09158	\$ 392,970
O & M rate - Collection system	0.41264	148,552
Contingency charge - WWTP O&M	0.05458	19,648
Contingency charge - Collec Sys O&M	0.02063	7,428
Pay as you go - Capital expenditures	0.02678	9,641
EPA reserve	0.01928	6,941
WWTP reserve	0.02029	7,306
Environmental reserve	0.03264	11,752
Collection system reserve	0.04352	15,669
Total	\$ 1.72196	\$ 619,906

Superior's share of existing and future WWTP debt service and collection system debt service will be billed in addition to the rate above (Currently \$10,484.90/month).

WASTEWATER CONVEYANCE AND DISPOSAL CONTRACT

Ypsilanti Community Utilities Authority & Superior Charter Township

EFFECTIVE DATE – SEPTEMBER 1, 2014

APPENDIX C

Three current connections between Superior collection system and the YCUA collection systems, as follows:

1. One connection at St. Joseph Mercy Hospital in the vicinity of Clark and Hewitt Roads.
2. A second connection at St. Joseph Mercy Hospital in the vicinity of Clark and Hewitt Roads.
3. One connection at Wiard Road and the boundary line between the Township of Ypsilanti and the Township of Superior.