

Water Improvement Fact Sheet

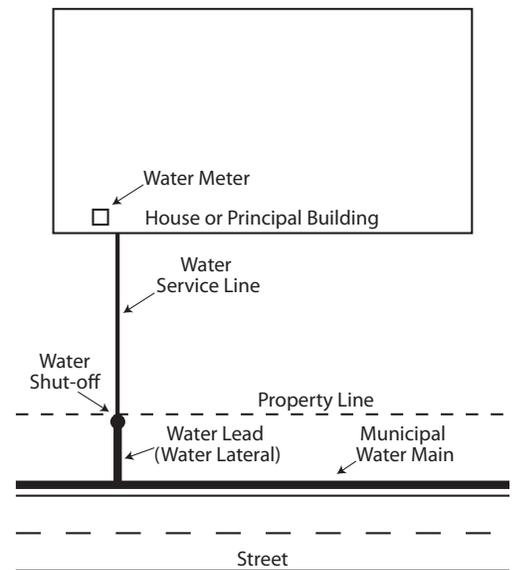
Effective January 1, 2013

To provide a safe and reliable source of public drinking water, the City of Portage has a comprehensive program for the installation of municipal water mains to Portage residents. While municipal water service is available in most areas of the City of Portage, certain neighborhoods remain unserved by the utility. Through the annual development of the city Capital Improvement Program (CIP), the City Administration identifies streets / neighborhoods in need of municipal water. The identified locations are then prioritized based on needs, condition and age of private wells, environmental issues, land use and other factors to address water quality issues. Municipal water main installation projects are funded through a combination of water revenue bonds and special assessments charged to benefiting property owners (see Project Funding below).

Special Assessment Fees

The assessment rates and water lead charges for the installation of new water mains are reviewed and adjusted annually by City Council. The rates and charges contained in this fact sheet are effective January 1, 2013. The actual assessment rate and water lead charge for the installation of new water mains will be the assessment rate and water lead charge in effect at the time Resolution #1 is adopted by City Council. Resolution #1 initiates the Special Assessment process.

◆ **Residential:** A charge of \$31.33 per front foot, up to a maximum of 80 feet (or \$2,506.40), is normally assessed per buildable lot for the installation of an 8-inch diameter water main. Additionally, for new water main construction, installation of a 3/4-inch diameter water lead is included in the assessment for residential properties at a cost to the property owner of \$960. At current rates, the typical maximum assessment per residential site is \$3,466.50. Residential property owners wishing to upgrade to a 1-1/4-inch diameter water lead (due to an underground sprinkling system, water uses not typical of an average residential home or if the home is located further than 120 feet from the street) will be assessed for a 3/4-inch diameter water lead at the time of water main **installation**. However, at the time of **connection** to the utility, the property owner will be charged the rate for the 1-1/4-inch diameter water lead – less the previous assessment for a 3/4-inch diameter water lead – at the rate in effect at the time of **connection**. The current rate for a 1-1/4-inch diameter water lead is \$1,100. The residential rate applies to single-family zoned properties only. Duplex and multi-family use properties are assessed at commercial rates for the full width of the serviced properties.



◆ **Commercial / Industrial:** A charge of \$40.92 per front foot for the full width of the serviced property is normally assessed. Charges for water leads are the same as those for residential properties.

◆ **Project Funding:** For residential water main installation projects, property owner assessments represent approximately two-thirds of the average construction cost associated with the installation of water main, with the city-at-large funding the remaining one-third of the cost. For industrial / commercial water main installation projects, property owner assessments represent approximately four-fifths of the cost, with the city-at large funding the remaining one-fifth of the cost.

◆ **Assessment payments:** Assessments for water main installation may be paid in full or can be paid in up to twenty installments, with interest on the unpaid balance. If Resolution #5 is approved September through March, the first installment is payable with no interest the following August. If Resolution #5 is approved April through August, the first installment is payable with no interest in August of the following year. In either case, the remaining nineteen installments with interest are payable each August thereafter. The interest rate that applies to the special assessment is typically charged at a rate one percent higher than the rate the city received for the special assessment bonds sold to finance the project. Balances may be paid off at any time.

Connecting to Municipal Water

Property owners wishing to connect to City of Portage municipal water may contact the Portage Department of Community Development at (269) 329-4477 to request a water-use permit application. Information contained on the water-use permit application is used to determine if a water lead was installed during the construction of the water main or if one needs to be installed. City staff will also use the water-use permit information to assist in determining the size of the water lead (3/4-inch or 1-1/4-inch) and calculate additional charges based on the above-noted rates, if applicable. The water-use permit information will also be used to determine water meter costs. Current meter rates are \$225 for a 5/8-inch meter, \$280 for a 3/4-inch meter and \$345 for a 1-inch meter.

In most cases, the water meter is installed in the basement of a structure and an outdoor remote meter reading device, used to read the meter, is installed at no charge. In the case where a meter cannot be placed in a basement or where other special circumstances exist, as determined by the Department of Transportation and Utilities, an outdoor meter box is installed, in which the water meter is placed. The charge for an outdoor meter box ranges from \$950 to \$1050 depending on the water lead size and is charged to the customer.

Following review and processing of the water-use permit by the Department of Community Development, the property owner will be contacted and advised of connection-related charges, which must be paid prior to issuance of the water-use permit.

- ◆ When connecting a building to a previously assessed water main, payment of the water lead charge (if not paid as part of the assessment) and the cost of the meter and outdoor meter box, if necessary, is required at the time of issuance of the water-use permit. Any remaining assessment installments may continue to be paid on the established annual schedule.
- ◆ When connecting a building to an un-assessed water main (sometimes referred to as an extension district), payment of the water lead charge, the cost of the meter and the outdoor meter box, if necessary, must be paid in full at the time of issuance of the water-use permit. The assessment is based on front footage and the special assessment rate in effect at the time of connection. The assessment may be paid in full or can be paid in up to twenty installments, with interest on the unpaid balance. The interest rate that applies to the assessment is typically charged at a rate one percent higher than the rate the city recently received for bonds sold to finance similar improvements. The first installment is payable with no interest at the time the water-use permit is issued. For water-use permits issued September through March, the second installment is due the following August. For water-use permits issued April through August, the second installment is due in August of the following year. In either case, the remaining eighteen installments are payable each August thereafter. Balances may be paid off at any time.

Following issuance of the water-use permit, it is the responsibility of the property owner to arrange for the installation of the water service line from the water shut-off valve to the building. In most cases, property owners will select a State of Michigan Licensed contractor to perform the installation of the water service line. Please contact the Department of Community Development at (269) 329-4477 for more information about connecting to City of Portage municipal water.

Water Billing Rates

The quarterly water bill is the sum of the water basic charge and the usage charge. Current rates are noted below*. Water customers aged 62 and older may receive a 10% discount on their quarterly water bills for their primary residence. To sign up for the senior citizen discount, please contact the City of Portage Treasury Office at (269) 329-4455 or visit the city website at www.portagemi.gov > Departments > Treasury > Documents.

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| Basic Charge for 5/8-inch Meter | \$21.00 |
| Basic Charge for 3/4-inch Meter | \$31.50 |
| Water Usage Charge | \$3.19 per 1,000 gallons |

*These rates are for Portage water customers only. Schoolcraft and Pavilion Township rates vary.

Well Abandonment Requirements

Part 127 of State of Michigan Public Act 368, 1978 as amended requires that upon connection to a municipal water supply where a private well exists, the well must be abandoned and plugged. The plugging of the well is the responsibility of the well owner. Typically, the contractor who made the water connection will be asked to take the necessary steps to abandon the well and submit the required documentation to Kalamazoo County Environmental Health. An acceptable alternative is to maintain the private well for irrigation purposes only. In such cases, the City of Portage requires the installation of a reduced pressure zone backflow preventer on the water service line into the building to ensure protection of the city water supply. Questions pertaining to well abandonment may be directed to Kalamazoo County Environmental Health at (269) 373-5337.

Questions and Information

Should you have any questions or need further information about water improvements in the City of Portage, please contact the Department of Transportation and Utilities at 329-4422.