

BOARD OF TRUSTEES
Gary Wall, Supervisor
Kimberly Markee, Clerk
Margaret Birch, Treasurer
Anthony M. Bartolotta, Trustee
Art Frasca, Trustee
Karen Joliat, Trustee
Steven Thomas, Trustee



5200 Civic Center Drive
Waterford, Michigan 48329-3773
Telephone: (248) 674-2278 Fax: (248) 674-8658
www.waterfordmi.gov

DEPARTMENT OF PUBLIC WORKS
Russell Williams
Director
Joseph Ashley
Water & Sewer Superintendent
Justin Westlake
Facilities & Operations Superintendent
Derek Diederich
Administrative Superintendent
Frank Fisher
Engineering Superintendent

DATE: November 3, 2020

TO: Honorable Charter Township of Waterford Board of Trustees
FROM: Russell D. Williams, DPW Director 
RE: Mann Road/Independence Township Sewer Audit

Please review the attached memo prepared by Mr. Derek Diederich and Ms. Rachel Woolcox in regard to issues that were uncovered with the billing for sewer service along the northeast border of Waterford/Independence townships. I agree with the recommendations made in their comprehensive analysis and wish to begin rectifying this situation immediately.

In synopsis, through the work of Mr. Diederich, Ms. Woolcox and Mr. Frank Fisher, it was discovered that the methodology behind the current Intergovernmental Agreement between Waterford and Independence townships was no longer applicable. While reviewing the properties covered by the current agreement, it was also discovered that there were additional properties placing additional burden on the Waterford sewer system that were not covered by this agreement at all. DPW would like to rectify this so that all Independence Township properties along the Mann Road corridor are covered by Intergovernmental Agreement and are being billed properly per Oakland County Water Resources Commission methodology and Waterford Township Code of Ordinances.

Requested Board Action

Approve DPW to Consult with Mr. Gary Dovre, Waterford Township Legal Counsel, to Reach Both Short-Term and Long-Term Resolution to This Matter

With us there are no boundaries

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DATE: October 30, 2020

TO: Russell Williams, DPW Director

FROM: Derek Diederich, DPW Admin. Superintendent & Twp. Budget Dir.
Rachel Woolcox, DPW Staff Analyst *RW*

RE: Mann Road Sewer Billing Issues

D.D.

Independence Woods Mobile Home Community

A recent audit of accounts on Mann Road located in Independence Twp. but serviced by Waterford Twp. sewer facilities has revealed that the large multi-residential community property located at 2500 Mann Road, Parcel IDs 08-36-451-001 & 08-36-151-010, is connected to the Waterford Township sanitary sewer system. This connection has been confirmed through a dye test performed by our Field Engineer. Review of our records does not show any connection fees being paid to Waterford DPW for this property, nor are they being billed by Waterford for sewer service. This property is a 430-unit mobile home community, so there is considerable use of the Waterford system occurring as well as additional flow being billed to Waterford by Oakland County Water Resource Commissioner (WRC). Records indicate that this community was constructed in 1991.

Again, we have no customer file, as-builts or record of any connection information for this property.

Review of Independence Township utility billing records, indicates that the property is being billed for water and sewer service by Independence Township. As this property is connected to Waterford's sewer system, any sewer billing should be done by Waterford to account for the strain on the Waterford system and flow being charged to Waterford by Oakland County-WRC for wastewater treatment. The attached spreadsheet outlines the water usage of this property since July 16, 2017 (the furthest back data was available online) and the sewer charges that were collected by Independence Township during this period, which totaled \$556,196.40.

Residential Properties

A similar review was conducted of residential properties along Mann Road. The following list of accounts are currently being billed sewer by Independence Twp. but the physical main and service is flowing through Waterford's System. Waterford is billing these addresses for water with the exception of (3128 & 3110 Mann Road).

With us there are no boundaries

<u>Waterford Account Number:</u>	<u>Address:</u>	<u>Parcel ID:</u>
102457	2400 Mann Road	0836451002
102446	2858 Mann Road	0832351001
102223	3020 Mann Road	0835477024
102224	3030 Mann Road	0835477026
Not a Wtr. Cust.	3128 Mann Road	0835477004
102267	3136 Mann Road	0835477019
102308	3060 Mann Road	0835477009
Not a Wtr. Cust.	3110 Mann Road	0835477005
Not a Wtr. Cust.	4589 Edgewood Dr	0835379004
Not a Wtr. Cust.	Vacant on Rattek Rd	0835452016

Inter-Governmental Sewer Agreement – Waterford/Independence Twp.

As you know, municipalities that belong to the Clinton-Oakland Sewer System used to be billed by Oakland County-WRC via a self-reported ‘units,’ or REU (Residential Equivalency Unit) program. That program converted to the current sewer flow meter system in 2007. The 1978 Independence-Waterford Inter-Local Agreement (attached) spelled out that Independence Twp. would report the REUs for the above properties to Oakland County-WRC and handle sewer billing even though they were connected to the Waterford system. This was fine before the 2007 update to Oakland County sewer billing methods. The methodology from the 1978 agreement no longer works because Waterford is getting billed from the County for the metered flow originating from these addresses while Independence is retaining the revenue. The obvious maintenance liability for the sewer facilities remains with Waterford Twp. As well.

Potential Sewer Connections

A further review of this area has revealed that the following four properties listed below are within the 200-foot threshold of the Public Sewer Main; whereas sewer connection is mandated per State Act 368 of 1978.

<u>Address:</u>	<u>Parcel ID:</u>
3040 Mann Road	0835477025
3090 Mann Road	0835477008
3146 Mann Road	0835477018
4505 Clintonville Road	0835477007

Staff Recommendations:

1. Enlist a legal review to determine the time frame to potentially have Independence Twp. degorge itself the sewer connection and service charges that should have been paid to Waterford Township.
2. Enlist a legal opinion to determine if it is the responsibility of Waterford or Independence to enforce sewer connection per State Act 368 of 1978 for the (4) properties listed above that reside in Independence Twp. but are within the 200-foot requirement to connect to an available sewer main. This opinion would also

be used for additional properties discovered outside Waterford's political jurisdiction but within the 200-foot threshold of Waterford's Sewer System.

3. Contact Twp. Attorney to coordinate a new inter-governmental agreement between Waterford and Independence Twp. to include the above properties as well as future connections that would cross the same jurisdictional boundaries and reflects current sewer billing methodology. It would also be requested for Waterford to have access to water use data for all properties connected to Independence Twp. water supply. In short, it is recommended that Waterford bill sewer off of the water reads from Independence Twp.
4. Contact Independence Township to apprise them of this situation and request all records related to these properties.
5. After agreement has been reached and the Intergovernmental Agreement updated, send a letter to the affected property owners notifying them that their subsequent quarterly sewer billing will now be handled by Waterford Township and that the Waterford Twp. billing and rate schedules and Ordinance would apply to the use of the Waterford Facilities.

We ask that these changes be commenced as soon as administratively possible.

Please see the following attachments for additional related information:

- Work Order 491537 – Dye Test Results
- Image from Dye Test at Independence Woods Mobile Home Community
- Independence Woods Mobile Home Community – Aerial Map
- Independence Woods Mobile Home Community – Independence Billing History
- Mann Road – Aerial Maps
- 4589 Edgewood Drive – Aerial Map
- Residential Properties – Independence Billing History
- 1978 Inter-Governmental Agreement

Thank you for your time and attention to this matter. As the items above are addressed please keep our work group apprised so that the necessary adjustments can be made to the billing database and customer files.

cc. Gary Wall, Waterford Twp. Supervisor
cc. Gary Dovre, Esq., Waterford Twp. Attorney
cc. Joe Ashley, Water-Sewer Superintendent
cc. Franklin Fisher, Engineering Superintendent
cc. Kristin Goetze, DPW Engineer
cc. Rob Merinsky, Development Services Director
cc. Barb Miller, Asst. Budget Director & Accounting Manager
cc. Mann Road, Sewer Audit File

**Attachment #1:
(Sewer Dye Test at 2500 Mann Road.
Waterford Work Order 491537 Attached - Connection Confirmed)**

CHARTER TOWNSHIP OF WATERFORD WORK ORDER

Work Order Number: 491537	Account Number:	Department: SEWER	Section:
---------------------------	-----------------	-------------------	----------

Start Date: 10/26/2020 8:18:20 AM	Work Order Created By: POWELL, SAM
Department Foreman: WOOLCOX, RACHEL	Work Order Requested By: ADMINISTRATION, DEPARTMENT

Activity Performed: **Dye Test**

Address: **Independence Woods trailer park**

Instructions:

Labor (please fill in)

Employee	Start Date	Start Time	Finish Date	Finish Time	Hours
BUNCE, RANDY	10/21/2020	1:30:00 PM			1.00
MCGRADY, SCOTT	10/21/2020	1:30:00 PM	10/21/2020	2:30:00 PM	1.00

Equipment (please fill in)

Materials (please fill in)

Description	Hour/Miles	Description	Hours/Miles

Remarks:

By POWELL, SAM : 10/26/2020 8:22:03 AM

Drop dye tablets in main office toilet to test to see if it was flowing into Waterford sewer. The dye flowed into Waterford sewer. Checked at sanitary MH feature id 291756.

Waterford DPW Hourly Equipment Rates are based on MDOT's Schedule C

Task Table Printout

Task Sequence ID	Task User ID	Task Name	Name Of Employee Task Is Assigned To	Task Start Date	Task Finish Date

Custom Fields

Custom Field Names	Custom Field Value	Custom Field Code Type	Custom Field Id

Entities

Facility ID	Entity Type
26478	SLATERALLINE
11903	SMANHOLE
13688	SGRAVITYMAIN

Attachment #2:
(Image of Sewer Dye Test at 2500 Mann Road.
Photograph Attached - Connection Confirmed)

October 21, 2020

Manhole Located North of Entrance to Independence Woods Mobile Home Community
(Intersection of Mann Rd and Hunters Hill Rd)

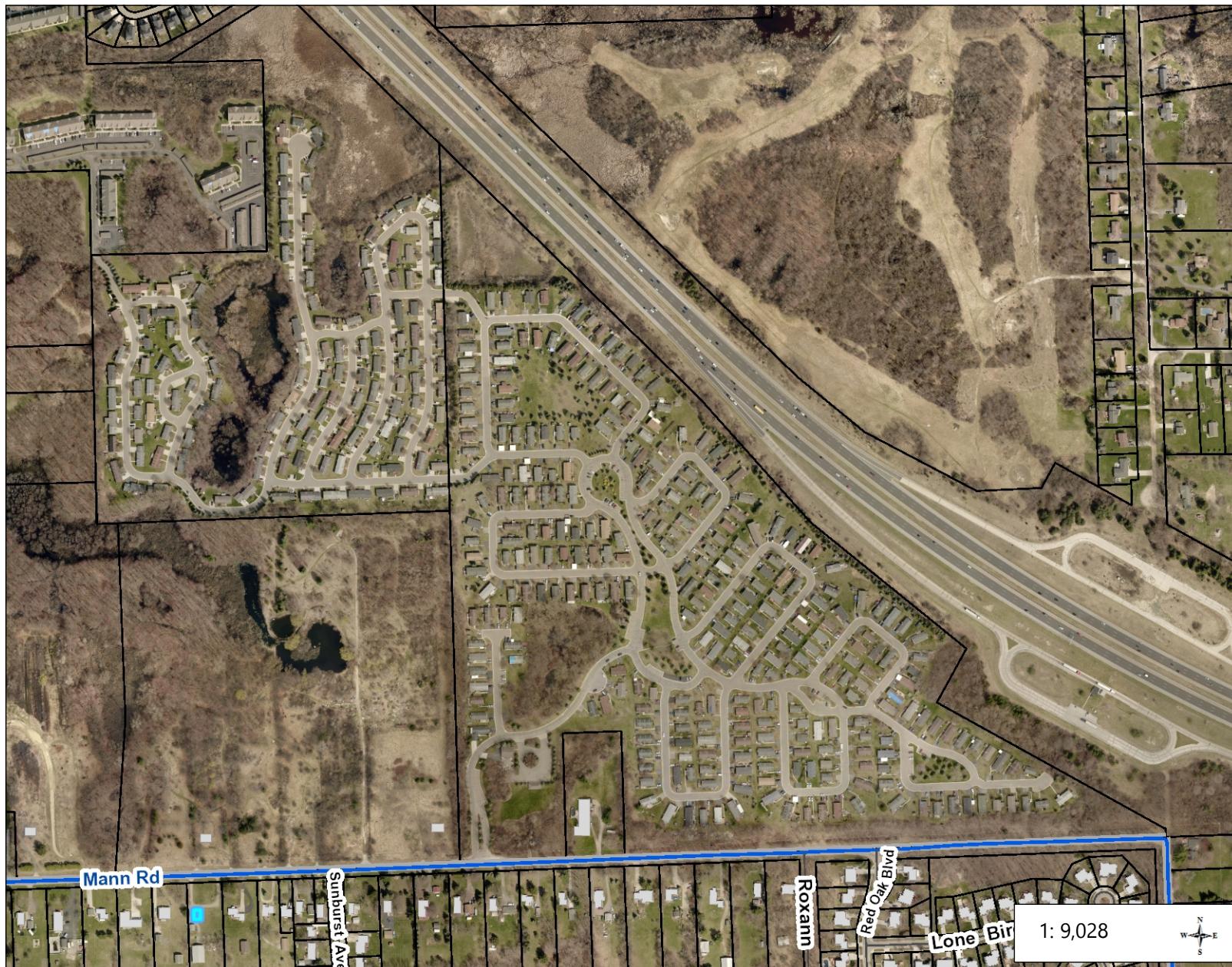
Dye pack entered system from main office of Independence Woods



Attachment #3:
(Independence Woods Mobile Home Community – Aerial Map)



Independence Woods MHC



1,504.7

0

752.33

1,504.7 Feet

Attachment #3:
(Independence Woods Mobile Home Community –
Independence Township Utility Billing History)

Independence Township Water Use and Sewer Charges

Attachment #4
(Mann Road Aerial Maps)



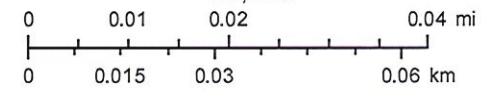
August 13, 2020

pointLayer

Override 1

WTP Water Treatment Plant

1:1,219



Oakland County, MI



August 14, 2020

WTP Water Treatment Plant

1:1,468

Oakland County, MI

Attachment #5
(4589 Edgewood Drive Aerial Map)



August 14, 2020

 Water Treatment Plant

Attachment #6

(Residential – Individual Home – Independence Twp. Utility Billing History. Individual Homes located in Independence Twp. utilizing Waterford Twp. Sewer Facilities).

Independence Township Water Use and Sewer Charges

Attachment #7

**(1978 Intergovernmental Agreement – Independence Twp.
and Waterford Twp. The 1978 Agreement based on the REU –
Residential Equivalency Unit System used until 2007 when Oakland
County Converted to a metered flow-based system utilized today).**



COUNTY OF OAKLAND

DANIEL T. MURPHY, COUNTY EXECUTIVE

July 24, 1978

Waterford Township
4995 Highland Road
Pontiac, Michigan 48054

Attn: Mr. James Seeterlin

and

Independence Township
90 North Main Street
Clarkston, Michigan 48016

Attn: Mr. Floyd Tower

Gentlemen:

Returned herein is one (1) fully executed copy of the "Waterford-Independence Sanitary Sewage Services Contract" dated June 7, 1978.

Very truly yours,

Donald W. Ringler
Donald W. Ringler, Manager
Sewer, Water & Solid Waste

DWR/em

Enclosure

WATERFORD-INDEPENDENCE
SANITARY SEWAGE SERVICES CONTRACT

This contract made and entered into this 6th day of JUNE, 1978, 1978, by and between the Charter Township of Waterford, 4995 West Huron Street, Pontiac, Michigan (hereinafter called WATERFORD), and the Township of Independence, 90 North Main Street, Clarkston, Michigan (hereinafter called INDEPENDENCE):

WITNESSETH:

WHEREAS, the Charter Township of Waterford is desirous of inter-connecting certain sanitary sewers between the two Townships in the consideration of the final plans for the Phase III portion of the Waterford Township Sanitary Sewage Program,

WHEREAS, the statutes and laws of the State of Michigan authorize and encourage such agreements between neighboring municipalities; and

WHEREAS, the respective Township Boards of the municipalities have, by resolution, approved the execution of this Agreement;

NOW THEREFORE, IN CONSIDERATION of the promises and covenants of each other, the parties hereby agree as follows:

WATERFORD:

(A) The areas which shall be serviced by Independence Township are described as follows:

① ~~OFFERS OUT AS OF 11/26/02~~ Lots 9 through 12 inclusive and Lots 18 through 25 inclusive (total 12 lots) of Lake Oakland Hills Subdivision located in Section 3 of Waterford Township and Section 34 of Independence Township (see Exhibit A-1).

② ~~OFFERS OUT AS OF 11/26/02~~ Lots 21, 22, and 23 of Windiate's Waterford Subdivision located in Section 4, Waterford Township, and Section 33 of Independence Township. Also parcels 4-105-001, 4-105-002, 4-105-003 and 4-105-004, located in Section 4 of Waterford Township (see Exhibit A-2).

Under its contract with the County of Oakland, Waterford will construct, operate, and maintain the lateral sewers and appurtenances located within the Charter Township of Waterford, and serving the lots and parcels described under Paragraphs A-1 and A-2 above, and as indicated on Exhibits A-1 and A-2.

It is understood and agreed that all required connection fees and usage charges will be collected by Waterford Township. Payment for usage charges to Oakland County Department of Public Works will be made by Waterford Township in accordance with the Clinton-Oakland "Schedule of Rates and Charges".

The 8" sanitary sewer on Mann Road, located in Sections 1 and 2 of Waterford Township from a point 970' west of the center line of Clintonville Road (the Clinton-Oakland Interceptor) to a point located 3,950' east of Clintonville Road (Roxanne Street) will be constructed, operated and maintained by Waterford Township.

INDEPENDENCE:

(A) The areas which shall be served by Waterford are as follows:

3. Premises located in the Southerly 363' of the Southwest 1/4 of Section 36, Independence Township (see Exhibit A-3).

4. Premises located in the Southerly 363' of the Westerly 1300' of the Southeast 1/4 of Section 36, Independence Township (see Exhibit A-4).

5. Premises located in the Southerly 363' of the Easterly 950' of the Southeast 1/4 of Section 35, Independence Township (see Exhibit A-5).

In order to provide Independence Township with the means to furnish sanitary sewer service to the above-described premises, Waterford Township will install 23 wyes, risers, and houseleads along Mann Road as part of the Waterford Township Extension Phase III Project. The cost of the furnishing and installation of these above-mentioned wyes, risers and houseleads will be completely borne by Waterford Township. *See Dr. T. Twp. TADS is supposed to be in effect. Work*

It is understood and agreed that all the required connection fees and usage charges for premises located within Independence Township as described in Paragraph A-1, A-3, A-4, and A-5 will be collected by Independence Township. Payment for usage charges to Oakland County Department of Public Works will be made by Independence Township in accordance with the Clinton-Oakland "Schedule of Rates and Charges".

Upon such connection of a premise in Independence Township located within the service area delineated in Exhibits A-3, A-4 and A-5, Independence shall pay to Waterford the required Capital Charge and Lateral Benefit Fee in accordance with the amount indicated in the current Waterford Township Ordinance.

No more than 23 connections, as outlined above, will be permitted into the above-described sewer without the written approval of Waterford Township, however, if any additional future service from the lateral sewer to the premises located in Independence Township are required, then the cost of the tap, riser, and houselead shall be completely borne by Independence Township.

THIS AGREEMENT is made for an indefinite period of time, but it is further understood that either party may terminate this Agreement without cause three (3) years following written notice of intention to terminate.

All rights, benefits, and privileges created herein shall be in the nature of full license and contract rights.

Both Townships' reserve all rights and privileges not herein specifically designated.

IN WITNESS WHEREOF the parties hereby have caused this instrument to be executed by their duly authorized officers the day and year first above written.

CHARTER TOWNSHIP OF WATERFORD

By *James E. Detayler* Twp. Supervisor
By *James E. Detayler* Twp. Clerk

TOWNSHIP OF INDEPENDENCE

By *Charles Z. Kuhn*
By *Charles Z. Kuhn* Township Clerk

Township Supervisor

This Agreement having been reviewed by the undersigned and the Staff of the Oakland County Drain Commission, and it appearing that said Agreement is in harmony with the objects and purposes under Michigan law of the Office of the Drain Commissioner, I hereby affix my signature in approval thereof.

George W. Kuhn, Drain Commissioner
Oakland County Drain Commission

— SERVICE DISTRICT LIMITS

SCALE: 1" = 200'

—N.E. CORNER OF
SECTION 3

WOODHULL LAKE

A close-up of a map section. A white rectangular area is outlined and labeled 'OUTLET HILLS' in black capital letters. Above this, another label 'LAMSON' is partially visible, with 'L' and 'AMS' clearly legible. The map background shows grid lines and other labels like '2 LSS' and '111'.

OAKLAND

F.T. Gorneau
1.63 Ac.
86471

EXHIBIT A-1
PART OF THE
NORTHEAST 1/4 OF SECTION 3
WATERFORD TOWNSHIP

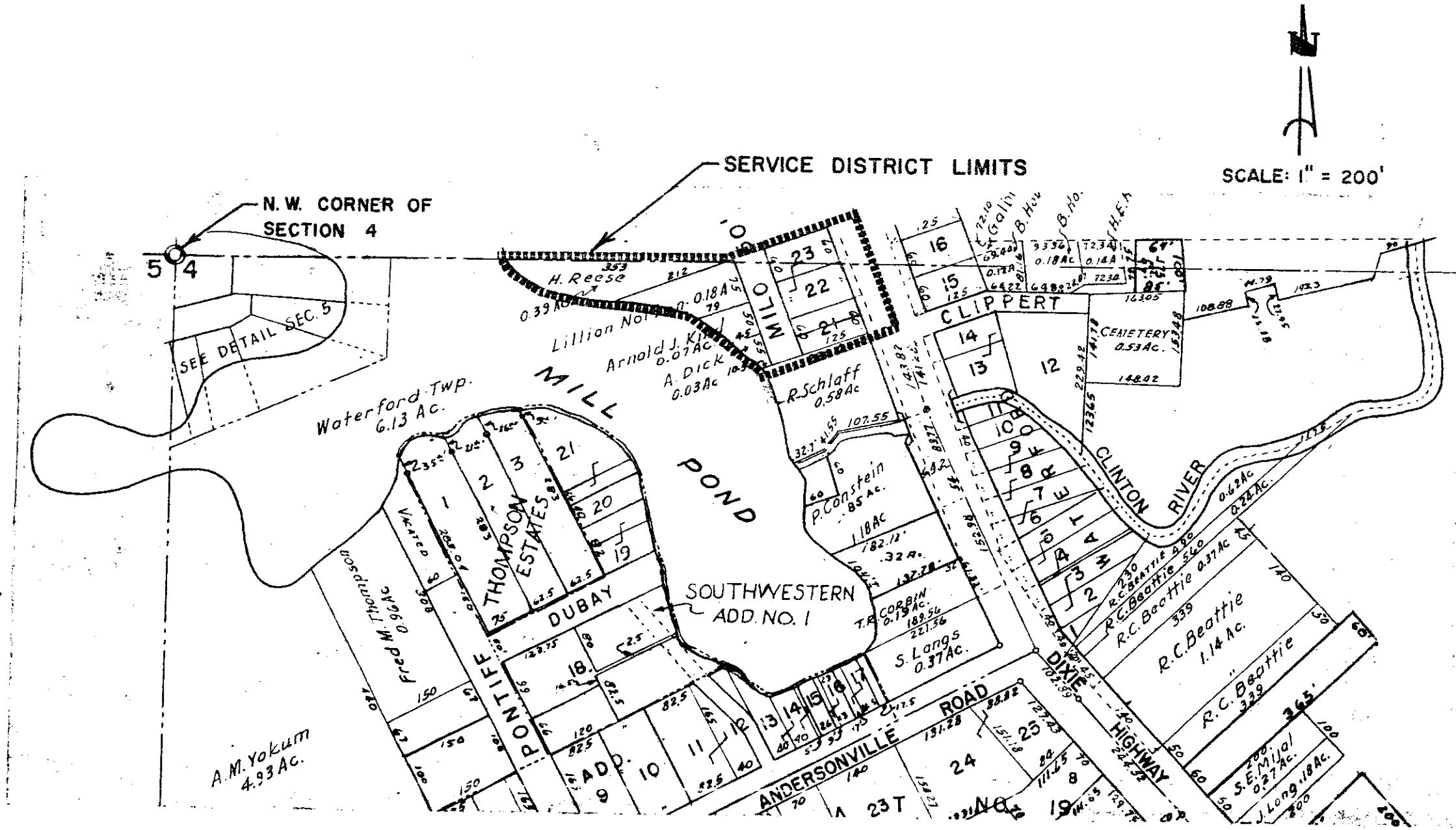
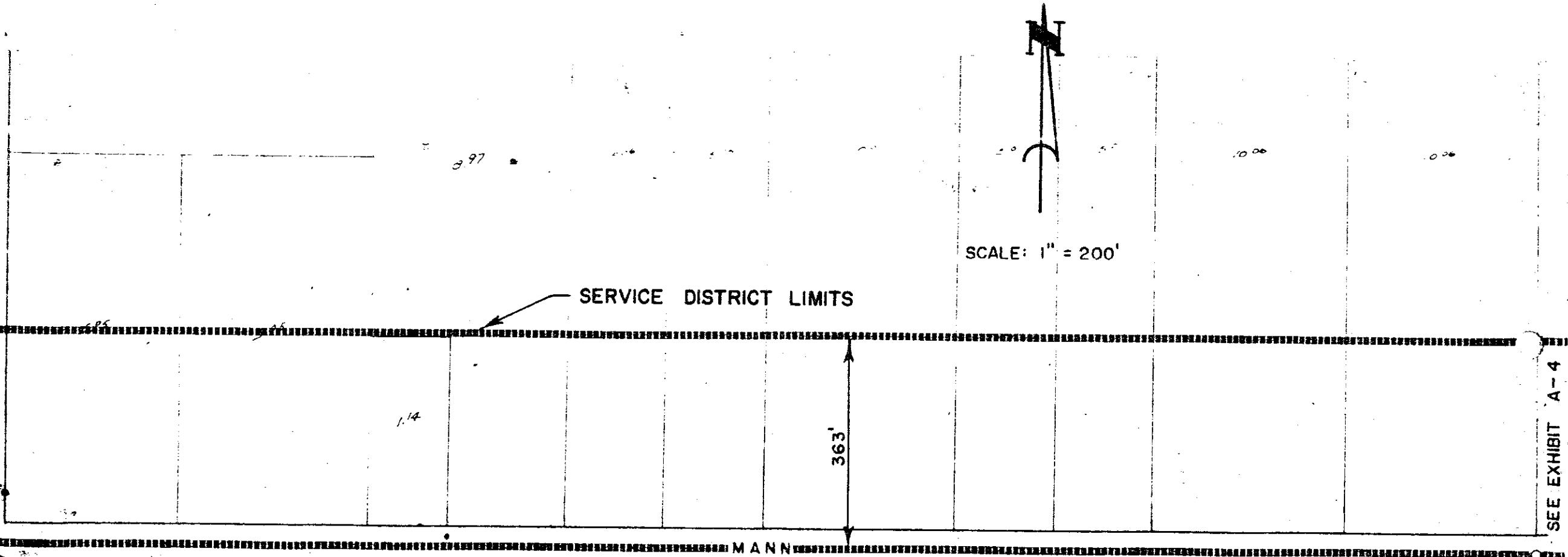


EXHIBIT A-2

PART OF THE

NORTHWEST 1/4 OF SECTION 4
WATERFORD TOWNSHIP
T. 3 N. R. 9 E.



S.W. CORNER SECTION 36

SOUTH 1/4 CORNER SECTION 36

SEE EXHIBIT A-4

EXHIBIT A-3
PART OF THE
SOUTHWEST 1/4 OF SECTION 36
INDEPENDENCE TOWNSHIP
T.4 N. R.9 E.

N

SCALE: 1" = 200'

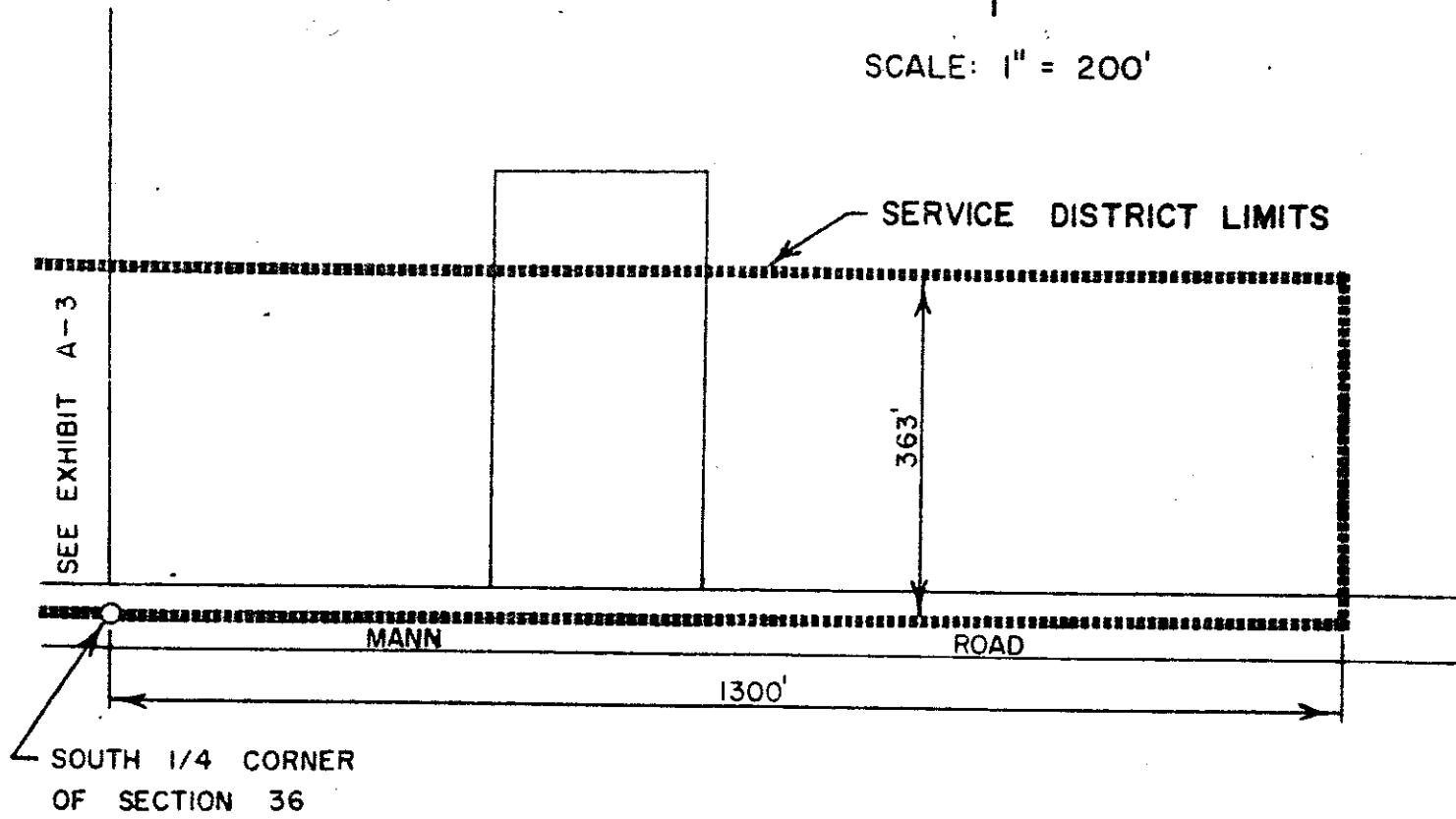


EXHIBIT A-4
PART OF THE
SOUTHEAST 1/4 OF SECTION 36
INDEPENDENCE TOWNSHIP
T. 4 N. R. 9 E.

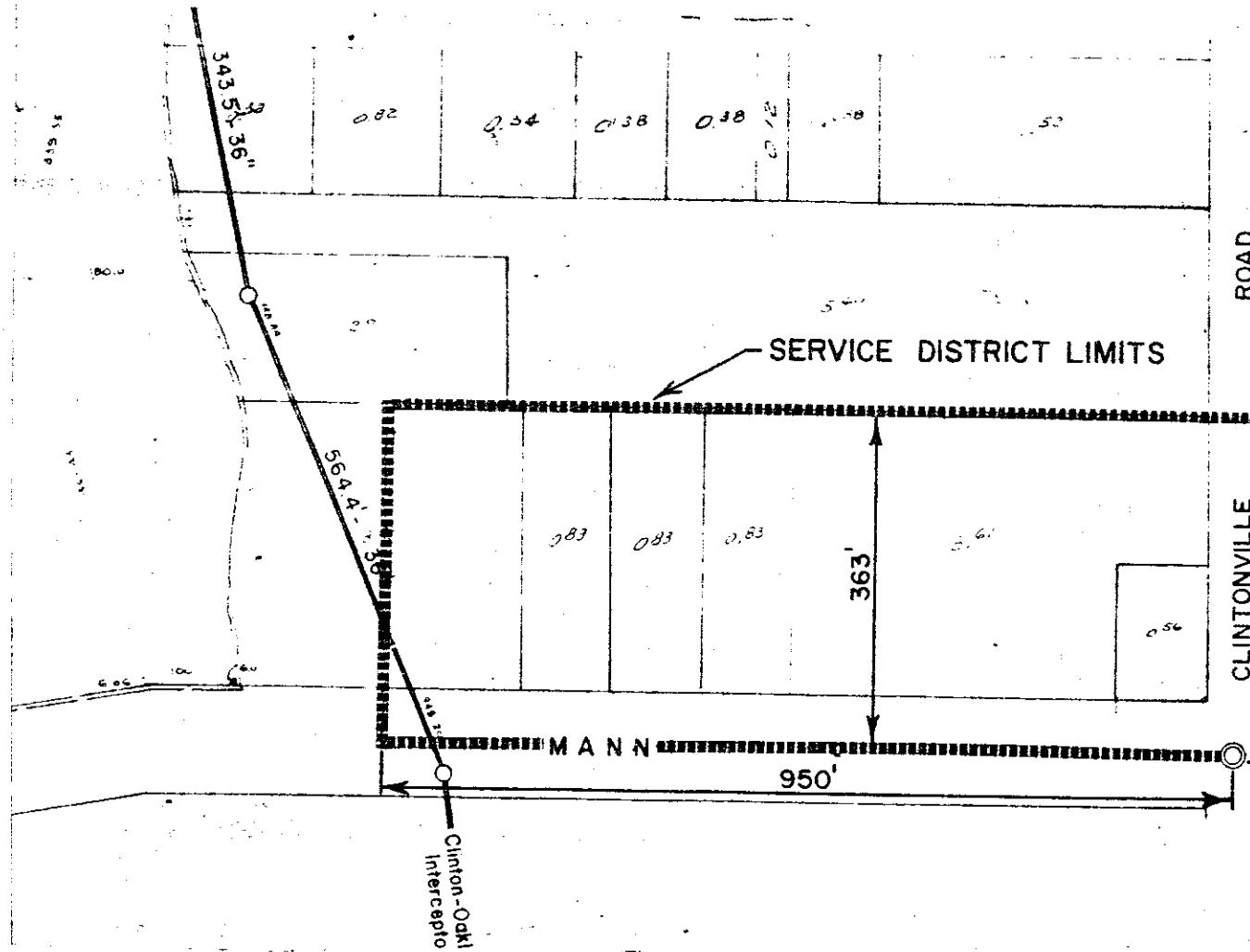


EXHIBIT A-5
 PART OF THE
 SOUTHEAST 1/4 OF SECTION 35
 INDEPENDENCE TOWNSHIP
 T. 4 N. R. 9 E.