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Dear Fellow City of Orchard Lake Resident,

This communique provides information about water and sewer system changes made by the City. The City conducted a benchmarking study to compare itself against five surrounding communities. Some changes were made as a consequence of the City's water and system installation debt charges having been recently retired, some to be more consistent with surrounding communities, and others were directed.

2016 Fiscal Year Rates

Beginning with the upcoming billing statement, the water usage rate will be \$39.70 per 1,000 cubic feet of water used, and the sewage rate will be \$41.11 per 1,000 cubic feet of water used. For the most part these rates are dictated by the Detroit Water & Sewer Dept. (DWSD), and the Oakland County Water Resources Commissioner (OCWRC) to cover the cost of water and sewer system supply, maintenance, and administration.

For its part, the City has decided to keep its maintenance cash reserves at a reasonable minimum to help keep the rates as low as practicable. The accumulation of cash reserves is built into the above rates.

Evergreen Farmington Sewage Disposal System Major Improvement

Orchard Lake's sewage flows into the Evergreen Farmington Sewage System. The majority of this system was installed over fifty years ago. Huge suburban expansion has occurred since then. This system is no longer capable of accommodating the volume of sewage when heavy rains occur, and sewage overflows into water ways, and backs-up into basements. The EPA and the Michigan Dept. of Environmental Quality have ruled that this must be remedied.

To remedy this, a \$37 million dollar expansion of the System is underway with an auxiliary 9 foot diameter pipe adjacent to the current sewer line along Middlebelt Rd. between I-696 and 13 Mile Roads. Community's tributary to this portion of the System must pay for its expansion. Orchard Lake's share of the cost is 3.2%. This debt will be financed and paid over 20 years. The City has decided to levy this cost equally to all users in the City.

Beginning with the upcoming billing statement you will notice an additional line item in your bill entitled "EFSDS TUNNEL DEBT" which is your share of the cost. Since the project just started, this year's cost will be approximately \$5.61 quarterly per account, but will rise to approximately \$20.30 quarterly at the project's completion.

Quarterly Minimum Billing

Heretofore, the City's minimum quarterly billing was for 2,000 cubic feet of water for all customers. Approximately, 30% of residents were paying the minimum charge.

(Over)

Beginning with the upcoming bill the minimum quarterly charge will be for 1,000 cubic feet of water. As a consequence the rates in general will rise by about 5% to compensate for the loss of revenue.

Meter Sizing vs. Residential Equivalent Units

It has been the industry standard to use a “Residential Equivalent Unit” (REU) system to establish installation charges for water and sewer service. Although this system is still widely used today, charging by water meter size or Meter Equivalent Unit (MEU) for water service is much more logical and fair, and is starting to become more popular.

Orchard Lake will begin charging new water system installations according to water meter size. If you're interested in the charges for the various sizes of water meters available, contact Oakland County Water Resources (WRC). Additionally, property owners will be required to obtain a plumbing permit from City Hall. Property owners will be allowed to manifold water supply on their own property from the master meter at their own expense and management. These rates presuppose that the property has paid into the City's water/sewer system debt service.

Sewer connection charges will continue to be calculated based upon the REU system for which it was designed.

Dual Water Meters

Orchard Lake will allow for the installation of a secondary water meter for water that is used strictly outdoors that will not enter the sewage system. Water flowing through the secondary meter will only be charged for water, but not for sewage treatment. The secondary meter will be charged the customary water meter maintenance charge.

If you're interested in pursuing this option, be sure to conduct a thorough cost/benefit analysis to be sure that it's cost effective. Installation of a secondary water meter could cost upward of \$1,000 depending upon your situation. You will have to pay for the necessary permits, inspections, water meter, plumber, and possibly modifications to the surrounding area of the meter. Anyone drawing water from the lake or a well for lawn irrigation would not benefit from this secondary meter. If you're interested in pursuing a secondary meter, either a licensed plumber or a homeowner can apply for a permit at City Hall.

Know that the City has authorized a \$2,500 fine for anyone attempting to use the secondary water meter for any use other than outdoors. This will be monitored.

Water Usage Times

Please know that the DWSD charges a huge premium for water used between 6:00 AM and 9:00 AM. This translates into increased water rates for everyone. Please limit your water usage during these times. Additionally, turf experts agree that the best time to water your lawn is during the heat of day, i.e., around 1:00 PM.



Jacqueline Beach
Mayor