



**City of Rochester Hills  
AGENDA SUMMARY  
NON-FINANCIAL ITEMS**

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**Legislative File No:** 2007-0367

**TO:** Mayor and City Council Members

**FROM:** Julie Jenuwine, Finance Director, extension 2535

**DATE:** May 29, 2007

**SUBJECT:** Area Maintenance Meters – Suspend sales effective July 6, 2007 – First Reading to amend Ordinance Section 102.326 of the Utilities, and Section 54.776 of the Fees of the Code of Ordinances for the City of Rochester Hills and repeal conflicting ordinances.

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**REQUEST:**

Request that City Council accept the first reading of an Ordinance to amend Sections 102.326 and 54.776 of the code of Ordinances of the City of Rochester Hills, Oakland County Michigan, to suspend the sale of area maintenance meters and repeal conflicting ordinances (changes enclosed) as recommended by the Water & Sewer Rate Technical Review Committee.

**BACKGROUND:**

The Water & Sewer Technical Rate Review Committee rate discussions lead to conversations regarding the City's area maintenance (AM) meter program. In general terms, the AM meter is an optional second meter that may be purchased by a customer for the measurement of outdoor water usage. The water measured by the AM meter is deducted from the consumption recorded on the water (the first) meter for purposes of calculating the customer sewage charge. Approximately 40% of Rochester Hills' water customers use an AM meter.

The increased demand for water increases the peak hour and peak day factors applied to the water rate the City is charged by the Detroit Water & Sewage Department. These increased factors raise the City's purchase price for water, resulting in increased water costs to *all* of the water customers of the City of Rochester Hills system, whether or not the customer has an AM meter. The AM meters may encourage increased water consumption, due to the receipt of a sewage discount.

In addition to suspending the sale of AM meters in order to reduce water demand thus reducing overall water purchase rates, suspending sales hopes to contribute to conservation efforts.

At this time, the Committee consensus is to encourage limited outdoor water usage, therefore suspending the sale of future AM meters would be a suitable policy over continuing their sale.

**RECOMMENDATION:**

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**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

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<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
<b>Department Review</b>		
<b>Department Director</b>		
<b>Mayor</b>		
<b>City Council Liaison</b>		