

March 14, 2005

John P. McCulloch  
DRAIN COMMISSIONER  
OAKLAND COUNTY

Kevin R. Larsen  
CHIEF DEPUTY  
DRAIN COMMISSIONER

Robert Spaman, Finance Director  
City of Rochester Hills  
1000 Rochester Hills Drive  
Rochester Hills, Michigan 48309-3033

Reference: *Clinton-Oakland Sewage Disposal System 2005/2006 Rate Change*

Dear Mr. Spaman:

In a letter dated March 1, 2005, we were notified by the Detroit Water and Sewerage Department (DWSD) of the following rates effective for all bills rendered on and after August 1, 2005, for use on and after July 1, 2005.

- DWSD Wastewater disposal charges will increase \$0.06 from \$10.20 to \$10.26 per 1,000 cubic feet (MCF).
- The 2005/2006 DWSD Fixed Monthly Charge of \$89,057.71 or \$0.68 per MCF has been included.
- The 2005/2006 DWSD Look-Back Adjustment to the District for the fiscal year 2003/2004 is a credit of \$212,099.76. We will refund each community their portion of the Look-Back Adjustment under separate cover each quarter.

- The Industrial Surcharge Rates will change as follows:

	2004/2005 \$/lb	2005/2006 \$/lb	Inc./ (Dec.)
Biochemical Oxygen Demand (BOD) in excess of 275 milligrams per liter	\$0.166	\$0.219	\$0.053
Total Suspended Solids (TSS) in excess of 350 milligrams per liter	0.242	0.351	0.109
Phosphorus (P) in excess of 12 milligrams per liter	3.072	4.546	1.474
Fats, oils, and grease (FOG) in excess of 100 milligrams per liter	0.088	0.194	0.106

- The Industrial Waste Control (IWC) Charges will change as follows:

Meter Size	Quarterly 2004/2005	IWC Charge 2005/2006	Inc./ (Dec.)
5/8"	\$13.50	\$14.22	\$0.72
3/4"	20.22	21.36	1.14
1"	33.72	35.58	1.86
1 1/2"	74.16	78.27	4.11
2"	107.88	113.85	5.97
3"	195.54	206.34	10.80
4"	269.70	284.61	14.91
6"	404.58	426.90	22.32
8"	674.28	711.51	37.23
10"	943.98	996.09	52.11
12"	1,078.86	1,138.41	59.55
14"	1,348.56	1,422.99	74.43
16"	1,618.26	1,707.60	89.34
18"	1,887.99	1,992.21	104.22

We have reviewed the cost of operating the Clinton-Oakland Sewage Disposal System and the related components that make up the total rate and submit the following:

**A. Detroit Charge**

The current Detroit rate of \$10.20 MCF will increase \$0.06 to \$10.26 MCF for the Clinton-Oakland Sewage Disposal System. The Fixed Monthly Charge is \$89,057.71 or \$0.68 per MCF. This is a decrease of \$0.02 from \$0.70 per MCF to \$0.68 per MCF for FY 2005/2006.

**B. Detroit Look-Back Adjustment**

The 2005/2006 DWSD Look-Back Adjustment to the District for the fiscal year 2003/2004 is a credit of \$212,099.76. We will refund each community their portion of the Look-Back Adjustment under separate cover each quarter.

**C. Operation and Maintenance Charge**

The current rate of \$1.17 MCF will increase \$0.42 per MCF to \$1.59 per MCF for the 2005/2006 fiscal year.

**D. Assigned Unit Usage is 3,200 Cubic Feet Per Unit Quarterly**

The assigned use of 3,200 cubic feet per unit quarterly will remain in effect.

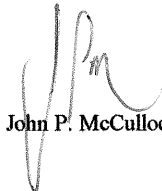
Following is a summary of the current 2004/2005 rates and the new 2005/2006 rates:

	<b>2004/2005</b>	<b>2005/2006</b>	
	<b>Current</b>	<b>Proposed</b>	
	<b>Rate</b>	<b>Rate</b>	<b>Inc./ (Dec.)</b>
a. <b>Detroit</b>			
Rate Charge	\$10.20	\$10.26	\$0.06
Fixed Monthly Charge	0.70	0.68	(0.02)
b. <b>Oakland County Drain</b>			
Operations & Maintenance	1.17	1.59	0.42 *
<b>Total</b>	<b><u>\$12.07</u></b>	<b><u>\$12.53</u></b>	<b><u>\$0.46</u></b>
 Unit Charge	 <b><u>\$38.62</u></b>	 <b><u>\$40.08</u></b>	 <b><u>\$1.46</u></b>

Therefore, please be advised that effective July 1, 2005, sewage disposal charges will increase \$0.46 from \$12.07 to \$12.53 per MCF and increase \$1.46 from \$38.62 to \$40.08 per unit quarterly. The Industrial Surcharge and the Industrial Waste Control (IWC) charges will change in accordance with the attached "Clinton-Oakland Sewage Disposal System Schedule of Rates and Charges, Effective July 1, 2005."

If you have any questions regarding this matter, please contact Douglas A. Buchholz, P.E. at 248-858-1119.

Most sincerely,



John P. McCulloch

# Oakland County Drain Commissioner Clinton-Oakland Sewage Disposal System

## FY 2005/2006 DISTRIBUTION OF FY 2003/2004 LOOK-BACK CREDIT ADJUSTMENT

<b>Community</b>	<b>2005/2006 Lookback Distribution</b>	
	<b>Lookback Allocation</b>	<b>Quarterly Allocation</b>
City of Auburn Hills	\$27,263.46	\$6,815.87
Village of Clarkston	845.02	211.25
Independence Twp.	14,514.54	3,628.63
Oakland Township	4,604.88	1,151.22
Village of Lake Orion	2,315.86	578.96
Orion Township	22,463.64	5,615.91
Village of Oxford	2,567.39	641.85
Oxford Township	6,079.84	1,519.96
City of Rochester	12,561.17	3,140.29
City of Rochester Hills	50,160.46	12,540.12
Waterford Township	55,330.63	13,832.66
West Bloomfield Twp.	13,393.13	3,348.28
	<b>\$212,100.00</b>	<b>\$53,025.00</b>

Look-Back allocation is in proportion to the member communities reported flows during the 2003/2004 Look-Back year.

**CLINTON-OAKLAND SEWAGE DISPOSAL SYSTEM**  
***SCHEDULE OF RATES AND CHARGES EFFECTIVE JULY 1, 2005***

**1. Wastewater Disposal Charge**

Each community shall report within fifteen (15) days following the end of each quarter the total number of units connected in their community to the Clinton-Oakland Sewage Disposal System in accordance with the current Oakland County Drain Commissioner Schedule of Unit Assignment Factors. For new uses not listed as part of said schedule, the County shall establish the unit assignment.

Each community shall report quarterly the total metered water consumption, where it is available, for users other than residential that are connected to the Clinton-Oakland Sewage Disposal System.

**Residential Connections**

Based on the reported number of connected residential units (including but not limited to single-family, multiple, and mobile homes), each community shall pay a flat rate charge of \$40.08 per unit per quarter (3,200 cubic feet x \$12.53 per 1,000 cubic feet).

Units shall be as determined by the current Oakland County Drain Commissioner Unit Assignment Schedule with a minimum assignment of one (1) unit for each connection.

**Commercial, Industrial, Institutional and Other Connections**

- A. Where metered water consumption is available for users other than residential, each community shall pay quarterly a rate of \$12.53 per 1,000 cubic feet of reported metered consumption.
- B. Where metered water consumption is not available for users other than residential, each community shall pay quarterly a flat rate charge of \$40.08 per unit as determined by the above mentioned Oakland County Drain Commissioner Unit Assignment Schedule with a minimum assignment of one (1) unit for each connection.
- C. For contaminated groundwater connections and other similar connections to the system where potable water is not used and discharged to the sewer and where the application of a unit assignment factor may not be practicable because of varying conditions and where a sewage flow meter approved by the County is installed and measures all flow from the connection, each community shall pay quarterly a rate of \$13.78 per 1,000 cubic feet of measured sewage flow from the connections.

**CLINTON-OAKLAND SEWAGE DISPOSAL SYSTEM**  
**SCHEDULE OF RATES AND CHARGES EFFECTIVE JULY 1, 2005**

**Penalty**

If any community, either totally or in part, demonstrates a peak flow that exceeds a 0.4 CFS per equivalent 1,000 connected population or an average yearly flow that exceeds 12,800 C.F. per unit, that community shall pay a sewage disposal service charge for the flow that exceeds the above stated limits at the rate of \$12.53 per 1,000 C.F. If any community allows their flow to exceed a peak of 0.4 CFS per 1,000 connected population or an annual average flow of 12,800 C.F. per unit for more than three (3) months without making necessary corrections, then the County shall cause the corrections to be made to the system and charge the community for all expenses. The said sewage disposal service charge, including penalty, if any, shall be payable quarterly. If any municipality does not pay its service charge on the date when the same becomes due, there shall be added to such a charge a penalty of one (1) percent for each month on the unpaid balance or fraction thereof for which the same remains unpaid.

**2. Industrial Surcharge**

The following Industrial Surcharges shall be levied against industrial and commercial customers contributing sewage to the system with concentrations of pollutants exceeding the levels described as follows:

	<u>\$/lb</u>
A. Biochemical Oxygen Demand (BOD) in excess of 275 milligrams per liter	0.219
B. Total Suspended Solids (TSS) in excess of 350 milligrams per liter	0.351
C. Phosphorus (P) in excess of 12 milligrams per liter	4.546
D. Fats, oils, and grease (FOG) in excess of 100 milligrams per liter	0.194

It is assumed that normal domestic customers do not contribute sewage with concentrations of pollutants exceeding the above levels, therefore, the Industrial Surcharge shall not apply to domestic customers. Further, restaurants shall also be exempt from Industrial Surcharge per the Federal Court "Second Interim Order," dated July 10, 1981.

**CLINTON-OAKLAND SEWAGE DISPOSAL SYSTEM**  
**SCHEDULE OF RATES AND CHARGES EFFECTIVE JULY 1, 2005**

3. *Industrial Waste Control Charge (IWC)*

Each community shall report quarterly the total number and size of water meters used by non-residential users of the System. Where metered water is not available, then the community shall report quarterly the "Assigned Water Meter Size" of non-residential users of the System in accordance with the following schedule:

<i>Units Assigned in Accordance with the Current Oakland County Drain Commissioner Schedule of Unit Assignment Factors</i>	<i>Assigned Water Meter Size</i>
1            -        4	5/8 "
5             -        10	1 "
11           -        20	1 1/2 "
21           -        32	2 "
33           -        64	3 "
65           -        100	4 "
101          -        200	6 "

Based on the reported number of water meter sizes, actual and assigned, for non-residential users of the System, each community shall pay a quarterly Industrial Waste Control Charge (IWC) in accordance with the following schedule:

<i>Meter Size</i>	<i>Quarterly IWC Charge</i>
5/8 "	\$14.22
3/4 "	21.36
1 "	35.58
1 1/2 "	78.27
2 "	113.85
3 "	206.34
4 "	284.61
6 "	426.90
8 "	711.51
10 "	996.09
12 "	1,138.41
14 "	1,422.99
16 "	1,707.60
18 "	1,992.21

Non-residential users shall be defined as all users other than single family houses, apartment buildings, condominiums, town houses, mobile homes, schools, churches and municipal buildings.