

**WATER AND SEWER AGREEMENT
BETWEEN CITY OF GRAND LEDGE AND ONEIDA CHARTER TOWNSHIP**

This Agreement (“Agreement”) is made and effective January 1, 2022, by and between the City of Grand Ledge, a Michigan home rule city, with its offices located at 310 Greenwood, Grand Ledge, Michigan (“City”), and Oneida Charter Township, a Michigan charter township, with its offices located at 11041 Oneida Road, Grand Ledge, Michigan (“Township”) (individually, a “Party” and collectively the “Parties”).

RECITALS

WHEREAS, Article 7, Section 28 of the Michigan Constitution of 1963 specifically authorizes two or more governmental units to enter into contractual undertakings or agreements with one another for the joint administration, sharing of costs and responsibilities or transferring to another of any of the functions, powers, or responsibilities which each would have the power to perform separately; and

WHEREAS, the City presently operates facilities to provide sanitary sewer service and treatment and potable water supply for City and Township residents; and

WHEREAS, the City currently provides sanitary sewer and water service to and within the Township following the expiration of a former agreement between the Parties dated October 27, 1980, and it is the intent of the Parties to replace and supersede that expired agreement; and

WHEREAS, the City and the Township are also simultaneously entering into a Cooperative Development Agreement pursuant to Act 425 of the Public Acts of 1984 (“Cooperative Development Agreement”) for the conditional transfer of properties within the area described on the attached Attachment “1” (“Cooperative Development Area”), and this Agreement shall not become effective unless the Parties also execute the Cooperative Development Agreement; and

WHEREAS, the sanitary sewer and water facilities operated by the City currently have, or can be expanded to provide, sufficient operating capacity to furnish sanitary sewer and potable water supply services to properties within the Cooperative Development Area; and

WHEREAS, the Parties have determined that the continued and extended provision of the City’s potable water supply and sanitary sewer services to properties within the Cooperative Development Area pursuant to the terms of this Agreement shall be to the Parties’ mutual benefit.

NOW, THEREFORE, in consideration of the foregoing, the Parties agree that:

**ARTICLE I
GENERAL PROVISIONS**

Section 1.1: Purpose. The purpose of this Agreement is to allow the continuation and extension of the City’s sanitary sewer and water supply services within the Cooperative Development Area.

Section 1.2: Description of Cooperative Development Area. The Cooperative Development Area shall be comprised of all property identified and described in the attached Attachment “1”. Within the Cooperative Development Area, “Category 2” means that part of the Cooperative Development Area for which the Parties receive and approve a property owner’s request for conditional transfer to Category 2 as provided in Exhibit B to the Cooperative Development Agreement; and “Category 1” means that part of the Cooperative Development Area that is not in Category 2.

Section 1.3: Consideration. In consideration for the rates, fees and charges provided for in this Agreement, as well as the additional consideration provided by the conditional transfer of municipal jurisdiction of land under the Cooperative Development Agreement, the City shall provide sanitary sewer and water supply services within the Cooperative Development Area as set forth in this Agreement.

Section 1.4: Term and Renewal. This Agreement shall continue in force for a period of fifty (50) years from and after the date first above written unless it is terminated sooner or extended by mutual written agreement of the City and the Township. This Agreement shall remain in effect coextensive with the duration of the Cooperative Development Agreement and shall terminate immediately upon termination of the Cooperative Development Agreement, subject to applicable law.

Section 1.5: Cooperation. The Parties agree that they shall cooperate with each other in the performance of any duty or action required of them under this Agreement and to make this Agreement effective and legally binding on the Parties, except as expressly provided for in this Agreement.

Section 1.6: Exclusive Water and Sanitary Sewer Service. The City or its designee shall be the exclusive provider of water and sanitary sewer service within the Cooperative Development Area, except with respect to the following areas of the Cooperative Development Area as shown on the Map attached as Attachment “2”:

- A. For properties or portions of properties bordering M-43 east of the existing City boundaries (“M-43 Tier”) (shown in tan on the Map attached as Attachment “2”), the City will have a right of first refusal to provide water and/or sanitary sewer services based on the time to provide service, capacity to serve and property owner’s construction costs; and
- B. For properties or portions of properties north of the M-43 Tier and south of the Grand River and east of the City beyond Oneida Woods Trail (shown in purple on the Map attached as Attachment “2”) (“Willow Hwy Tier”), the City will not be the exclusive water and sanitary sewer service provider.

Section 1.7: Users Eligible for Water and Sanitary Sewer Service Within Category 1. Customers within the areas currently receiving both City water and sanitary sewer service within the Cooperative Development Area (shown in green on the Map attached as Attachment “2”) shall continue to receive those services without transferring to Category 2. Customers within the areas currently receiving City water service only or sanitary sewer service only within the Cooperative

Development Area (shown in blue and yellow, respectively, on the Map attached as Attachment “2”) shall continue to receive that service and may receive the other City service (water or sanitary sewer) without transferring to Category 2, except that water only customers whose property was contiguous to the existing City boundaries on December 31, 2021 must request a transfer of their property to Category 2 as a condition of receiving sanitary sewer service.

ARTICLE II OWNERSHIP, OPERATION AND MAINTENANCE OF INFRASTRUCTURE

Section 2.1: Ownership, Maintenance and Operation. The City shall own all sanitary sewer and water facilities and infrastructure within the Cooperative Development Area. As of the date of this Agreement, the Township shall provide to the City a Deed of Grant in the amount of One and 00/100 Dollars (\$1.00) conveying to the City all sanitary sewer and water facilities and infrastructure owned by the Township within the Cooperative Development Area and assigning to the City all associated sanitary sewer and water easements held by the Township within the Cooperative Development Area. The City shall operate and maintain all sanitary sewer and water facilities and infrastructure within the Cooperative Development Area including, without limitation, all the City’s and the Township’s obligations with respect to underground facility damage prevention and safety under Public Act 174 of 2013, as amended.

Section 2.2: Easements. If public easements for sanitary sewer or potable water service across private property are required within the Cooperative Development Area, the City shall acquire the same at the City’s expense and in the name of the City. The City shall be granted title to the Township’s existing sanitary sewer and potable water service easements within the Cooperative Development Area during the term of this Agreement and any extension thereof, for the purpose of constructing and maintaining sanitary sewer facilities and water facilities. All easements shall be properly recorded.

Section 2.3: Cost of Extensions within Category 1. The City shall own but not be required to participate in any costs for the extension of any sanitary sewer or water mains within Category 1 of the Cooperative Development Area, including but not limited to construction, right-of-way, legal, engineering and inspection costs. If such mains are intended or used to serve properties located within the City or within Category 2 of the Cooperative Development Area, then the City shall enter into an agreement to reimburse this cost.

Section 2.4: Cost of Extensions within City to Serve Category 1. In any case where sanitary sewer or water mains do not exist at the City boundary or do not have adequate capacity for a new extension within Category 1 of the Cooperative Development Area, the Township shall be required to establish a special assessment district containing the benefitting properties to pay the cost of constructing any new sanitary sewer or water main to a point in the City’s system where adequate capacity is available. The City shall share in the extension cost by entering into an agreement to reimburse this cost if the extension serves or may serve any property in the City or in Category 2 of the Cooperative Development Area, in proportion to the expected flow to or from the City and Category 2 area to be served by the extension and the expected flow to or from the Category 1 area to be served by the extension.

Section 2.5: Maintenance and Operation of Extensions. Upon acceptance of extensions by the City for maintenance, operation, and ownership, the City shall assume all responsibilities for

maintenance, operation, repair, and replacement thereof, and the cost of such maintenance, operation, repair, and replacement shall be funded through the user rates charged for service and funds maintained by the City for such purposes.

Section 2.6: Costs of Leads. Subject to applicable law, the City and the Township shall not be responsible for any part of construction or maintenance of the individual sewer leads or water leads from the user's building to and including the connection with the sewer and/or water main located in a street or a public easement.

Section 2.7: Standard of Service. The City shall use reasonable diligence to provide and maintain regular and uninterrupted service, but does not guarantee uninterrupted service. Subject to applicable law, the City and the Township shall not be liable for damages or injury by such interruption, from whatever cause. The City and the Township shall not be liable to any user for injury or damage of any nature caused by or connected with the use of the sanitary sewer system or water supply system of the City, or interruptions of such use.

ARTICLE III APPLICATION/PERMIT PROCEDURES AND REQUIREMENTS

Section 3.1: Requests for New Service. A property owner eligible for water and/or sanitary sewer service within the Cooperative Development Area, when requesting sanitary sewer and/or water service within the Cooperative Development Area, shall submit its request by certified mail or hand-delivered, return receipt or other proof of service required, to the City Manager and the Township Supervisor and said request shall include the following data: legal description of the area to be served; anticipated population to be served; name(s) of the owner(s) of record of all parcels of land located within said area and the name of the developer of said land, if the identity of the developer is known and is not an owner; land use plan for the area, including a tentative street layout and showing existing and proposed utilities; and expected sewer and water flow as represented by residential equivalents. In addition, a property owner that is not eligible for water and/or sanitary sewer service within Category 1 under Section 1.7 shall submit to the City and the Township a request for conditional transfer of the property to Category 2 as provided in Exhibit B to the Cooperative Development Agreement.

Section 3.2: Objections to Requests for New Service. The City shall promptly notify the property owner and the Township in writing of any objections to the property owner's request. The written notification of objections shall be provided by the City within sixty (60) days of submission of the request.

Section 3.3: Plans for Extensions. Detailed plans and specifications for sanitary sewer extensions and water main extensions shall be prepared by an Engineer licensed in the State of Michigan and submitted to the Township and the City for review and approval. The property owner making the request shall furnish sufficient additional copies of the plans and specifications to the City to allow the City to submit the same to the State of Michigan for a Construction Permit.

Section 3.4: Permits for New Connections. Upon State of Michigan approval, the City shall issue permits for new connection of private premises to the sanitary sewer and water systems and no

person shall use such connection until the proposed connection has been inspected and approved by the City.

Section 3.5: Records. The City shall maintain a record of each extension of sanitary sewer and water mains provided for under this Agreement. The City shall also provide all necessary forms or permits and shall adopt such rules and procedures as may be necessary and appropriate for the implementation of this Agreement.

ARTICLE IV INFRASTRUCTURE COORDINATION

Section 4.1: Cooperation. Both Parties shall cooperate with each other in order to allow for the extension of water and sanitary sewer infrastructure within the Cooperative Development Area.

Section 4.2: Streets and Roads. Where practical, all water and sanitary sewer lines within the Cooperative Development Area shall be constructed in existing or proposed streets and roads and proposed new street and road locations shall be compatible with the City street system.

ARTICLE V ORDINANCE REQUIREMENTS

Section 5.1: Ordinances. The Township shall adopt such Ordinances or take such other legal action as may be necessary to require each user within Category 1 of the Cooperative Development Area to comply with the terms of the City's water and sanitary sewer use ordinances, this Agreement and applicable law. The City shall adopt such Ordinances or take such other legal action as may be necessary to require each user within Category 2 of the Cooperative Development Area to comply with the terms of the City's water and sanitary sewer use ordinances, this Agreement and applicable law.

Section 5.2: Collection of Unpaid Rates, Fees, and Charges. The Township agrees to adopt such Ordinances and take such other legal action as may be necessary to secure payment of the requisite sanitary sewer and water user rates, fees, and charges from any sanitary sewer or water user within Category 1 of the Cooperative Development Area who has not paid said rates, fees, and charges when due. The City agrees to adopt such Ordinances and take such other legal action as may be necessary to secure payment of the requisite sanitary sewer and water rates, fees, and charges from any sanitary sewer or water user within Category 2 of the Cooperative Development Area who has not paid said rates, fees, and charges when due.

ARTICLE VI SANITARY SEWER USER RATES, FEES, AND CHARGES

Section 6.1: Sanitary Sewer User Rates. Sanitary sewer service users within the Cooperative Development Area shall be required to pay for sanitary sewer service via monthly or quarterly sewer user rates in amounts as may be established by the City by Ordinance, which rates shall not exceed the type or amount of sanitary sewer user rates charged to City users for the same service.

Section 6.2: Other Sanitary Sewer Fees and Charges. Sanitary sewer service users within the Cooperative Development Area shall be required to pay such other sanitary sewer fees and charges in amounts as may be established by the City by Ordinance, which fees and charges shall not

exceed the type or amount of sanitary sewer fees and charges charged to City users for the same service. Such fees and charges may include, without limitation, application fees, tap fees, capital investment fees, and such other types of fees and charges that the City charges to sanitary sewer users within the City.

ARTICLE VII WATER USER RATES, FEES, AND CHARGES

Section 7.1: Water User Rates within Category 1 of the Cooperative Development Area. Water service users within Category 1 of the Cooperative Development Area shall be required to pay for water service via monthly or quarterly water user rates in amounts as may be established by the City by Ordinance, which rates shall not exceed the type or amount of water user rates charged to City water users for the same service; except that the City shall apply the following factors to the water user rates for water users within Category 1 of the Cooperative Development Area: from January 1, 2022 until December 31, 2031, a factor of 1.5 times the rate charged to City users; from January 1, 2032 to December 31, 2041, a factor of 1.3 times the rate charged to City users; and after December 31, 2041, a factor of 1.15 times the rate charged to City users.

Section 7.2: Water User Rates within Category 2 of the Cooperative Development Area. Water service users within Category 2 of the Cooperative Development Area shall be required to pay for water service via monthly or quarterly water user rates in amounts as may be established by the City by Ordinance, which rates shall not exceed the type or amount of water user rates charged to City water users for the same service.

Section 7.3: Other Water Fees and Charges within Category 1 of the Cooperative Development Area. Water service users within the Cooperative Development Area shall be required to pay such other water fees and charges in amounts as may be established by the City by Ordinance, which fees and charges, except as provided below, shall not exceed the type or amount of water fees and charges charged to City users for the same service. Such fees and charges may include, without limitation, application fees, tap fees, capital investment fees, and such other types of fees and charges that the City charges to water users within the City; except that the City shall apply the following factors to these fees and charges for water users within Category 1 of the Cooperative Development Area from January 1, 2022 until December 31, 2031, a factor of 1.5 times the fees and charges charged to City users; from January 1, 2032 to December 31, 2041, a factor of 1.3 times the fees and charges charged to City users; and after December 31, 2041, a factor of 1.15 times the fees and charges charged to City users.

Section 7.4: Other Water Fees and Charges within Category 2 of the Cooperative Development Area. Water service users within Category 2 of the Cooperative Development Area shall be required to pay such other water fees and charges in amounts as may be established by the City by Ordinance, which fees and charges shall not exceed the type or amount of water fees and charges charged to City users for the same service. Such fees and charges may include, without limitation, application fees, tap fees, capital investment fees, and such other types of fees and charges that the City charges to water users within the City.

ARTICLE VIII BILLING AND COLLECTION

Section 8.1: Billing and Collection of Rates, Charges, and Fees. The City shall bill and collect the rates, charges, and fees for sanitary sewer and water service in the Cooperative Development Area in the manner provided by the City by Ordinance and as limited by this Agreement and applicable law.

Section 8.2: Collection of Delinquent Payments. The City shall, on or before November 1 of each year, notify the Township Clerk or such other agent as the Township may designate, of the delinquency in payment by any water or sanitary sewer user within Category 1 of the Cooperative Development Area for any rates, charges, or fees outstanding and unpaid for a period of thirty (30) days or more from the due date thereof. Upon receipt of such notification, the Township shall place all such unpaid amounts on the Tax Roll of the Township for collection in accordance with Section 21 of the Revenue Bond Act, being Act 94 of the Michigan Public Acts of 1933, as amended, and such amounts shall be collected in the same manner as general property taxes. In addition to the foregoing, and not by way of limitation, the City specifically reserves the right to enforce the collection of any delinquent rates, charges, fees, penalties or interest in any manner permitted by law, including the right to terminate service.

ARTICLE IX MISCELLANEOUS

Section 9.1: Terms and Conditions of Service. Users of the City's sanitary sewer and water systems shall be subject to all terms and conditions relative to the use of those systems as may reasonably be provided by the City by Ordinance and applicable to all other users of those systems, except as provided by this Agreement or applicable law.

Section 9.2: Cooperative Development Agreement. The Parties are entering into this Agreement contemporaneously with a Cooperative Development Agreement covering properties proposed to be transferred under Act 425. This Agreement shall not be effective unless the Cooperative Development Agreement is also entered into between the Parties.

Section 9.3: Notices. Except as provided in Section 3.1, above, all notices required to be given pursuant to this Agreement shall be sent by first class mail, postage prepaid, to the following designated individuals on behalf of each Party.

If to the Township:	Oneida Charter Township c/o Township Supervisor 11041 Oneida Road Grand Ledge, Michigan 48837 (With a copy to the Clerk)
---------------------	--

If to the City:	City of Grand Ledge c/o City Manager 310 Greenwood Street Grand Ledge, Michigan 48837 (With a copy to the Clerk)
-----------------	--

In the event either Party entitled to notice desires to change its address, it shall do so by providing written notification of that change of address to the other Party. All notices shall be deemed to have been given on the date of mailing as evidenced by the postmark thereon or on the date of direct delivery. Nothing herein shall be construed as precluding additional notice by electronic or facsimile transmission.

Section 9.4: Assignment and Successors. This Agreement may not be assigned unless duly approved in writing by the Parties. This Agreement shall be binding upon the successors in interest of the parties hereto and shall inure to the benefit of the Parties and their successors and assigns.

Section 9.5: Severability. If any provision of this Agreement is held to be unenforceable for any reason, the remainder of this Agreement shall remain in full force and effect. If, because of the invalidity of any part of this Agreement, either Party determines that the purpose and intent of this Agreement has failed, the Parties shall renegotiate in good faith to amend this Agreement to make it valid and satisfactory to both the Parties.

Section 9.6: Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.7: Amendments. No amendment, extension, modification, or alteration of this Agreement shall be effective unless the same is in writing and duly approved and executed by the Parties. All such amendments shall make specific reference to this Agreement and to the specific provision of this Agreement that is amended. Such amendment shall not invalidate this Agreement nor relieve or release either Party of any obligation hereunder, except as may be expressly stated in said amendment.

Section 9.8: No Waiver. The failure of either Party to insist upon the strict performance of any covenant or obligation set forth in this Agreement shall not be deemed to be a waiver of such Party's right to demand strict compliance therewith in the future.

Section 9.9: Entire Agreement. This Agreement, including the Attachments hereto which are incorporated and made a part hereof, together with the Cooperative Development Agreement of the same date, contains the entire Agreement between the Parties with respect to the subject matter hereof, and all prior understandings, whether written or oral, are superseded and are merged herein. Neither Party has made any representation except those expressly set forth in this Agreement, and no rights or remedies are or shall be acquired by either Party by implication or otherwise, unless set forth herein.


Section 9.10: Force Majeure. In case of any delay in the performance by either Party of any obligation under this Agreement due to unforeseeable causes beyond the control of the Party and without the fault or negligence of the Party, including, but not limited to, acts of God or the public enemy, acts of the Federal, State or County Government, acts of the judiciary, fires, floods or other disaster or casualty, the time for performance of such obligation shall be extended for the period of said forced delay; provided, however, that the Party seeking the benefit of this section shall, within fourteen (14) days after the beginning of such forced delay, have first notified the other

Party of the causes thereof and request an extension for the period of said delay. Said extension shall not, however, extend the terms of this Agreement beyond its normal expiration date.

Section 9.11: Mutual Drafting. This Agreement shall be deemed to have been mutually drafted by the Parties and shall not be interpreted against either Party as the drafter.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date and year first written above.

CITY OF GRAND LEDGE



Mayor Thomas J. Sowle, Jr.



Clerk Gregory L. Newman

ONEIDA CHARTER TOWNSHIP



Supervisor



Clerk

Attachment “1”

**LEGAL DESCRIPTION OF
COOPERATIVE DEVELOPMENT AREA**

All land within Sections 1-3 and Sections 10-15, T4N, R4W, Oneida Township, Eaton County Michigan, outside the City boundaries of the City of Grand Ledge, excluding the South ½ of said Section 15.

Attachment "2"

**MAP OF COOPERATIVE DEVELOPMENT AREA
(Showing Existing Sewer and Water, Existing Sewer Only,
Existing Water Only, M-43 Tier, and Willow Hwy Tier)**

