

SENATE BILL No. 372

April 13, 2005, Introduced by Senators TOY, PATTERSON, ALLEN, JOHNSON, KUIPERS, BIRKHOLZ, McMANUS, STAMAS, SIKKEMA, HAMMERSTROM, BISHOP, CASSIS, SANBORN and VAN WOERKOM and referred to the Committee on Local, Urban and State Affairs.

A bill to provide for the oversight of the operation of certain water and sewer systems within this state; to create an authority; and to provide for the powers and duties of certain governmental officials and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Authority" means an authority created under this act.

3 (b) "City" means a city chartered under the home rule city
4 act, 1909 PA 279, MCL 117.1 to 117.38.

5 (c) "Local unit of government" means a city, village, or
6 township.

7 (d) "Qualified city" means a city that owns or operates a
8 water or sewer system.

1 (e) "Qualified county" means a county with a population of
2 400,000 or more that is served by the water or sewer system.

3 (f) "Township" means a township chartered under the charter
4 township act, 1947 PA 359, MCL 42.1 to 42.34.

5 (g) "Village" means a village incorporated under the home rule
6 village act, 1909 PA 278, MCL 78.1 to 78.28.

7 (h) "Water or sewer system" or "system" means a water supply
8 facility or sewerage services facility, or both, that provides
9 water or sewerage service to more than 20% of the population of
10 this state.

11 Sec. 2. (1) A city that owns or operates a water or sewer
12 system shall establish an authority to provide oversight and
13 control of the system as provided under this act.

14 (2) Not more than 30 days after the effective date of this
15 act, each qualified county and qualified city, or not more than 30
16 days after the date a county or city becomes a qualified county or
17 qualified city, shall make appointments to the authority as
18 provided under this section.

19 (3) One person shall be appointed to represent each qualified
20 county that does not have the qualified city located within the
21 county. The appointment under this subsection shall be made by the
22 county board of commissioners.

23 (4) Three persons shall be appointed to represent the
24 qualified city. The appointment under this subsection shall be made
25 by the mayor of the city, with the advice and consent of the city's
26 governing body.

27 (5) If a qualified county has the qualified city within the

1 county, 1 person who does not live or work within the qualified
2 city shall be appointed to represent the county. The appointment
3 under this subsection shall be made by the majority vote of the
4 chief elected officials of the 5 largest local units of government
5 within the county.

6 (6) A person appointed under this section shall serve for a
7 term of 4 years or until a successor is appointed, whichever is
8 later. A successor to a member shall be appointed in the same
9 manner and shall serve for a term of 4 years or until a successor
10 is appointed, whichever is later. A person may be reappointed to
11 the authority. A person appointed to the authority may be replaced
12 by the appointing entity at any time.

13 Sec. 3. (1) A majority of the persons appointed to the
14 authority constitute a quorum for the transaction of business.

15 (2) The person appointed to the authority shall have 1 vote.

16 (3) The first meeting of the authority shall be held not more
17 than 45 days after the effective date of this act, or not more than
18 45 days after the date a county or city becomes a qualified county
19 or qualified city.

20 (4) The authority shall elect a chairperson and other officers
21 as the authority considers necessary. The authority shall adopt
22 bylaws and rules to govern the operation of the authority.

23 (5) After its first meeting, the authority shall meet not less
24 than quarterly and at such other times as determined by the
25 authority.

26 Sec. 4. (1) Persons appointed to the authority are public
27 servants under 1968 PA 317, MCL 15.321 to 15.330, and are subject

1 to any other applicable law with respect to conflicts of interest.

2 (2) An authority shall establish policies and procedures
3 requiring periodic disclosure by persons appointed to the authority
4 of relationships which may give rise to conflicts of interest.

5 Sec. 5. (1) An authority shall establish an ethics manual
6 governing the conducting of system business and the conduct of
7 employees of the system.

8 (2) An authority shall establish policies under this section
9 that are no less stringent than those provided for public officers
10 and employees by 1973 PA 196, MCL 15.341 to 15.348.

11 Sec. 6. (1) Except as otherwise provided by this act, the
12 authority shall have the jurisdiction and authority over the water
13 or sewer system.

14 (2) The rates for water and sewer service shall be just and
15 reasonable.

16 (3) Notice to customers of a rate alteration is required for
17 any rate alteration and shall be included in or on the bill of each
18 affected customer of the system before the effective date of the
19 rate alteration.

20 (4) The notice required under subsection (3) shall contain at
21 least all of the following information:

22 (a) A statement that the customer's rate may change.

23 (b) An estimate of the amount of the annual change for the
24 typical customer that would result by the rate change.

25 (c) A statement that a customer may comment on or receive
26 complete details of the rate alteration by calling or writing the
27 authority. Complete details of the rate alteration shall be

1 provided free of charge to the customer at the expense of the
2 system.

3 (5) A system shall be allowed only 1 rate increase during any
4 12-month period.

5 Sec. 7. An authority created under this act is subject to the
6 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and
7 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.