
Schedule 6.4

Billing Agreement between the Authority and
Howell Township

HOWELL TOWNSHIP BILLING AGREEMENT

THIS AGREEMENT, is made July 1, 2010, by Marion, Howell, Oceola and Genoa Sewer and Water Authority (“MHOG”), whose principal office is located at 1577 N. Latson Road, Howell, Michigan 48843 and Howell Township (“Township”), whose principal office is located at 3525 Byron Road, Howell, Michigan 48855.

ARTICLE I – RECITALS

WHEREAS, the Townships of Howell, Marion, Oceola, and Genoa have organized the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the “Authority”) pursuant to the provisions of Act 233, Michigan Public Acts of 1955, as amended (“Act 233”) for the purpose of acquiring, owning, managing, and operating a water supply system; and

WHEREAS, the Townships have concluded that the operation of a water supply system is needed to promote and improve the health and welfare of the residents of the Townships, and that such water supply system can most economically and efficiently be operated and maintained by the Authority pursuant to the provisions of Act 233; and

WHEREAS, the Township of Howell has entered into an Operation and Maintenance Service Agreement with MHOG for the Operation of the Water System within the Township of Howell; and

WHEREAS, MHOG currently contracts meter reading and billing services to Genoa Charter Township’s Department of Public Works.

NOW, THEREFORE, in consideration of the promises below, the parties mutually agree as follows:

ARTICLE II – SUMMARY OF MHOG RESPONSIBILITIES

MHOG or its current contracted billing representative shall perform the duties of meter reading, meter installation, meter repair, meter read auditing, reading device service, and transfer of reads to Howell Township. A detailed description of the MHOG responsibilities is presented in **Attachment 1**.

ARTICLE III – SUMMARY OF HOWELL TOWNSHIP RESPONSIBILITIES

Howell Township shall perform the duties of bill preparation, mailing, receipting, and customer interaction. A detailed description of the Howell Township’s responsibilities is presented in **Attachment 2**.

ARTICLE IV – DELIVERABLES AND DELIVERABLE SCHEDULE

For accurate, effective, and timely billing of MHOG customers in Howell Township, both parties agree to the following deliverable schedule:

Date	Month	M.H.O.G.	Howell Township
15 th	January, April, July, and October	Meter reads supplied to Howell Township	
1 st	February, May, August, and November	Aggregate of individual usage water consumption sent to Howell Township	
15 th	February, May, August, and November		Revised customer contact report submitted to MHOG
1 st	March, June, September, and December		Consumption payment made to MHOG
15 th	March, June, September, and December	Notification of read dates made to Howell Township and quarterly meter install report submitted to Howell Township	

ARTICLE V – FEE SCHEDULE AND PAYMENT OF INVOICES

Howell Township shall be billed quarterly, and each bill shall be based on: 1) Total Aggregate consumption (as defined in the above table) multiplied by the current MHOG Rate/1,000 gallons, 2) Readiness to Serve Charge (RTS) based on multiplying the current MHOG RTS charge multiplied by the total # of accounts read at the end of each quarter, and 3) Less credit of 6% the cost MHOG is charged for each bill. Quarterly bills for consumption will be mailed to Howell Township on approximately the 1st day of February, May, August, and September. MHOG shall have the ability to adjust rates as needed. Such rate adjustments shall automatically apply to Howell Township.

Howell Township shall pay the MHOG consumption invoice within 30 days of the bill date. Consumption charges not paid within 30 days will be assessed a 1% penalty. Consumption charges not paid within 60 days will be assessed a 3% penalty. If consumption charges are not paid within 90 days, this agreement will be terminated and responsibility for billing of MHOG customers in Howell Township will revert immediately back to MHOG.

Howell Township shall charge water customers the same consumption charge as established annually by the MHOG Board. Howell Township shall have the right to add fees for debt service, connection, or other fees as necessary.

ARTICLE VI - USE OF DOCUMENTS

MHOG and the Township shall retain all billing records, both hard copy and electronic. Upon completion or termination of this Agreement, a copy of all documents shall be submitted to MHOG by the Township.

ARTICLE VII – ASSIGNS AND SUCCESSORS

This Agreement is binding on MHOG and Township, and their permitted successors and assigns. The parties agree not to transfer or assign its respective interest in this Agreement without the written consent of the other.

ARTICLE VIII – TERM OF AGREEMENT

This Agreement begins on July 1, 2010 and ends July 1, 2013. The term of the agreement will automatically renew for successive periods of one-year each, unless notice is provided 90 days prior to the end of the term by either party.

ARTICLE IX – TERMINATION OF CONTRACT

This agreement shall be terminated upon voluntary reversion to MHOG by Howell Township or for cause by the parties giving ninety (90) days written notice to the other party. Upon termination, all billing shall revert back to MHOG.

ARTICLE X – INDEMNIFICATION

The Township shall indemnify, to the extent permitted by law, MHOG, its officers, agents, servants, volunteers and employees from any and all liabilities, claims, liens, demands and costs, including legal fees, of whatsoever kind and nature which may result from fees and/or charges placed on bills by the Township.

MHOG and Township may exercise any of their rights and remedies available at law or in equity in the event they incur claims, damages, lawsuits, costs and expenses, including but not limited to costs from administrative proceedings, court costs and attorney fees arising out of this Agreement.

ARTICLE XI – CHANGES IN SCOPE OR SCHEDULE OF SERVICES

Changes mutually agreed upon by the MHOG and Township will take place only upon a written agreement and will be incorporated into this Agreement by written amendments signed by both parties.

ARTICLE XII – CHOICE OF LAW AND FORUM

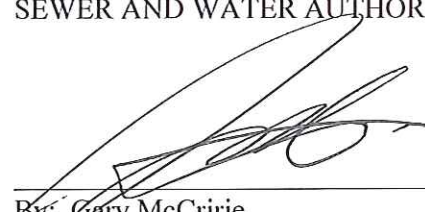
This Agreement shall be subject to and governed by the laws of the State of Michigan. MHOG and the Township agree that the venue for the bringing of any legal or equitable action under this Agreement shall be established in accordance with the statutes of the State of Michigan and/or Michigan Court Rules. In the event that any action is brought under this Agreement in Federal Court, the venue for such action shall be the Federal Judicial District of Michigan, Eastern District, Southern Division.

ARTICLE XIII – EXTENT OF CONTRACT

This Agreement and the attached duties and responsibilities represents the entire agreement between the parties and supersedes all prior representations, negotiations or agreements whether written or oral.

MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY

Date: 6/23/2010



By: Gary McCrie
Chairperson

HOWELL TOWNSHIP

Date: 6-23-2010



By: Michael Coddington
Its: Supervisor

Attachment 1

MHOG Statement of Duties

Meter Installation - Permanent

Receive and File Meter Sales Forms

- Schedule with Customers Order and Pick-up of Specialty Meters

Maintain inventory of meters

Schedule appointments with customers for meter installations

Perform Meter Installs

- Obtain Backflow Certificate

- Install Meter and Reading Device

- GPS Location for Vehicle Based Reading Unit

- Complete Work Order with Meter and Head Numbers for Input into Springbrook[®] Billing Software

Utilize Work Order to Set-Up a New Customer Account or Update for Irrigation Install

- For commercial account, select hazard classification and add to Hydrodesigns Inc.

- List for Backflow and Cross Connection Inspection

- Input GPS Points

- Input Backflow Control Device for residential and irrigation accounts

- File Installation Paperwork

- Locating curb stops for builders and homeowners.

Meter Installation – Seasonal

Schedule Spring Installation for Water Only Seasonal Irrigation or Recreational Meters

- Send out notification letters to each account

- Require backflow device test during installation

Install meters at scheduled times

- Turn on water services

- Test radio read device

- Obtain Backflow Certificate

Schedule Fall Removal for Water Only Seasonal Irrigation or Recreational Meters
Send out notification letters to each account of winterization responsibilities

- Remove meters

- Obtain final reads on each account

- Shut down water services

Meter Reading & Billing

Phone reads of existing MIU units programmed for call in
MXU accounts are loaded into vehicle based reading route
Radio reads are obtained in the field
Audit of non-reads by MIU Units and MXU units are added to manual read accounts
Each non-read manual is visited to obtain a read
Non reads are added to repair list and letters are sent to customer requesting
appointments.

Each read is audited by:

Verifying of account information

Each read is compared to previous quarter

Contact made with each customer with read outside normal range, accounts are
noted when a homeowner is gone during the winter months.

Research reads that show no usage.

Identify if there is a leak. If leak is found, determine if sewer or water only.

Adjust accounts as necessary

Identify Repairs and Perform Site Visits, including but not limited to:

- Assisting Homeowners with identifying leaks
- Change out of meter heads
- Change Direction of Meters (foreclosed homes may have had meters
pulled and the bank re-installed meters backwards.
- Researching as to why a home or business may not have irrigation usage
over summer. (Irrigation System may have bypass installed.)

Following of Audit, meter reads are sent to Howell Township for billing purposes.

Post Meter Reading and Billing

As referenced above, between billing cycles:

Non-reads are scheduled for maintenance which may include:

Installation of an external MXU

Re-wiring from reading unit to meter

Change out of faulty or clogged meter

Change out of meter head

Frequently, the above task require preparation of mailings to
customers to obtain home access

Record any account or equipment changes in Springbrook® Billing Software.

Miscellaneous Services

Cross Connection Program and Consumer Confidence Reports
Software Upgrades & Annual Maintenance & Software Support Fees
Response to Township request for usage history
Preparation of billing reports for commercial account audits
Preparing Billing Summaries & Account Receivable Reports by District & Township
Keeping track of all meters installed for each subdivision or complex. Any meters not installed yet are checked to make sure lot is still vacant.
Maintaining list of all paid and unpaid meter packages, always checked before meter package is installed in new home.

Reconciliation of Records

30 Days prior to meter reading, MHOG should update customer information received from Howell Township and reconcile records with a report submitted by Howell Township.

Attachment 2

Howell Township Statement of Duties

Billing

Meter reads are posted to accounts
Following posting of accounts, bills are printed
Printed bills are separated and sorted for post office
Bills are distributed to customers

Bill Collection

Post payments
Balance postings
Perform Bank Deposits

Perform Customer relations

- Taking payments over the counter
- Taking phone calls from customer
- Solving problems for customers
- Collect NSF's

Delinquents Billings

- Transfer delinquent payments to tax rolls
- Special handling of paid delinquents from Sept – Nov

Balance Account and Distributing Funds

Handling of All Bankruptcy Accounts which includes:

- Chapter 7 – If is debt discharged balances are written off
- Chapter 13 – Balance that is owed at time of filing is transferred to an additional account with payments being applied from Trustee only.

All bankruptcy amounts must be broken down into water and sewer dollars.

Obtaining Final Reads and Preparation Final Bills from Property Sales
Final bills are printed once a month, however, the majority of final bills are faxed directly to the title company that is holding escrow, this is done daily.
Answer of customer account changes and complaints, questions on bills.

Miscellaneous Services

Tracking and service shut-off of foreclosures, sent to operators for water shut-off.

Reconciliation of Records

30 days following billing, Howell Township should submit to MHOG Representatives any changes to customer account information.