



# Shelby Township approves 'significant' water, sewer rate increases

BY SARAH WOJCIK

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SHELBY TOWNSHIP — In a 5-2 vote Dec. 15, the Shelby Township Board of Trustees approved a 9.75 percent increase in water rates and an 8.95 percent increase in sanitary sewer rates for a combined 9.3

percent increase.

Shelby Township residents will pay \$3.954 per 100 cubic feet for water and \$5.077 per 100 cubic feet for sanitary sewer, effective Jan. 1 through Dec. 31, 2016.

Department of Public Works Director David Miller said that from

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# Increase

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2010 to 2016, the DPW's operating expenses for water went down 5.4 percent, while the cost of water went up 47 percent.

"While the increases are pretty significant, the township department has done its best to control its expenses," Miller said. "At this time, there are no other water sources that can meet our peak demands."

In order to uphold its commitment to the board to keep water and sewer rate increases below 10 percent, Miller said the Shelby Township DPW will apply a depreciation credit from its reserves on the sanitary sewer side.

"We've got a \$36 million reserve, of which most of it has been restricted in some way or applied to a certain category, such as repair contingencies. We're recommended to have an operation capital reserve, and we've got Oakland Macomb Interceptor District principal payments we need to make," Miller said. "Once we take care of all of that, we have a surplus in the reserve of \$108,000."

Miller said the contract rate methodology is based mainly on the township's annual volumes, maximum days and peak hours. He said he feels that Shelby Township's water increases are lower than many surrounding communities because it renegotiated its contract with the Detroit Water and Sewerage Department in 2011 and 2014.

In 2009, the township entered into a 30-year contract with the DWSD. In June, the township, along with all other communities previously served by the DWSD, reassigned its contract to the Great Lakes Water Authority.

Detroit will retain ownership of the entire system, and the GLWA will lease regional water mains and treatment plants for \$50 million a year for the next 40 years.

"With the funds from the lease, we can focus our attention to updates and improvements from old water mains, to customer service and beyond. When the city's system is improved, the benefits go beyond Detroit — we as a region all benefit," DWSD Director Gary

Brown said in a statement.

The GLWA began operations Jan. 1.

"A review of communities similar to ours in Macomb County indicates that our increases will be less than others, but still significant," Supervisor Rick Stathakis said. "(Our new rates) are in accordance with rates that were set by the Great Lakes Water Authority."

Miller said Clinton Township approved a combined 11.7 percent increase, Macomb Township approved an 18 percent increase in water and a 16.5 percent increase in sewer, and Washington Township increased its water rates by 20 percent and its sewer rates by 11.5 percent.

Shelby Township Clerk Stan Grot cast one of the two nay votes.

"I vote 'no' every year since I've been on the board," Grot said. "I'm opposed to any water increase at all."

Trustee Nick Nightingale cast the other nay vote.

Nightingale said he voted no because he was in favor of giving the "hardworking taxpayers a break."

For more information about the 2016 water and sewer rates, call the Shelby Township DPW at (586) 726-7272.

Call Staff Writer Sarah Wojcik at (586) 498-1029.



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