

Little River Band of Ottawa Indians

375 River Street
Manistee, MI 49660
(231) 723-8288

Resolution # 02-1211-05

Approval of Utility Rates for Fiscal Year 2003

WHEREAS, the Tribe's status as a federally-recognized Indian tribe was reaffirmed and restored by Congress pursuant to Public Law 103-324, 108 Stat. 2156 (25 U.S.C. §1300k et seq.); and

WHEREAS, the Tribe adopted a new Constitution, pursuant to a vote of the membership on May 27, 1998, which Constitution became effective upon its approval by the Assistant Secretary-Indian Affairs on July 10, 1998; and

WHEREAS, the Tribal Council is authorized under Article IV, Section 7(a) to provide for the public health, peace, morals, education and general welfare of the Little River Band and its members; and

WHEREAS, the Utility Ordinance, # 01-500-05, delegates to the Utility Department the responsibility to set fees based upon the annual budget of the department, sec. 6.06; and

WHEREAS, the Utility Ordinance requires the Water and Wastewater Director to set rates for water and wastewater "connections according to the size of water service and the purpose for which use is intended," i.e. residential and commercial, sec. 5.07; and

WHEREAS, the Water and Wastewater Director presented a proposal to the Tribal Council in December of 2001 which identified alternative rate structures for use by the Utility Department at which time the Tribal Council determined that the 'Single Block Rate Structure' was the appropriate utility fee structure to be utilized; and

WHEREAS, the Water and Wastewater Director has presented a proposal to Tribal Council which identifies the costs of utility use based on current users which includes the agreement set forth in the *Seconded Amended and Restated Management Agreement* in sec. 8.2.1.5 for that commercial customer; and

WHEREAS, a Single Block Rate Structure is broken into two costs -

- a. Fixed costs such as supplies, space or training divided by the number of customers which is referred to as the base rate. The base rate is determined by the size of a residential service line of 3/4 inch pipe and sets the standard for 1 EDU (equivalent dwelling unit). Each residential customer would be charged 1 EDU,

each commercial customer would be charged the number of EDU's which are connected to the commercial location times the base rate.

2. Variable costs such as chemicals, equipment, or repairs are also assessed among the customers as a cost per 1,000 gallons of water used, and is referred to as metered rate; and

WHEREAS, the Water and Wastewater Director has identified that based on the Single Block Rate structure and the small number of current residential customers within the next year will result in unreasonably high customer fees both at the metered and base rate levels; and

WHEREAS, the Tribal Council has determined that setting residential customer rates based on estimated year 2005 residential customer base and subsidizing the difference between rates and costs is an appropriate governmental function given the nature of the housing project being connected;

NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians hereby adopts the following rate structure for Fiscal Year 2003 -

a. Commercial Rate - to change from \$10.72 per thousand gallons of water and sewer combined usage to \$11.42 per thousand gallons of water and sewer combined usage.

b. Residential Rate - to be set as *(no change)*

1. Base rate = \$15.00 per month;

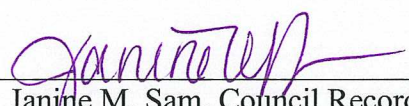
2. Metered rate = \$4.00 per 1000 gallons used.

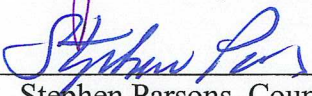
IT IS FURTHER RESOLVED THAT the Tribal Council hereby directs these rates shall be effective January 1, 2003.

CERTIFICATE OF ADOPTION

I do hereby certify that the foregoing resolution was duly presented and adopted by the Tribal Council with 8 FOR, 0 AGAINST, 0 ABSTAINING, and 1 ABSENT, at a Regular Session of the Little River Band of Ottawa Indians Tribal Council held on December 11, 2002, at the Little River Band's Community Center in Manistee, Michigan, with a quorum being present for such vote.

Attest:


Janine M. Sam, Council Recorder


Stephen Parsons, Council Speaker

Distribution: Council Records
Tribal Ogema
Tribal Court
Legal Department