

CHARTER TOWNSHIP OF ALPENA
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**ALPENA TOWNSHIP ORDERS PAYMENT OF JUDGMENT,
INITIATES PROCESS OF DETERMINING AND REFUNDING EXCESS PROVISIONAL RATE FUNDS,
AND INITIATES APPEAL OF ERRONEOUS CIRCUIT COURT JUDGMENT**

The Charter Township of Alpena Board of Trustees took action Monday night (September 24) to pay the amount due to the City of Alpena under last week's Circuit Court judgment, which was the result of a settlement between the parties for the fiscal years of 2014-2018, and which saved Alpena Township ratepayers \$2.2 million in water and sewer overcharges from the City during that time.

The Board also directed the Township's officials and rate experts to accurately determine the amount available for refunds to Township ratepayers from excess provisional water and sewer rates collected over the previous five years, and to determine a fair procedure for the refund process. ***Township officials in the near future will discontinue the provisional rates and determine a new base rate for water and sewer services going forward, resulting in a substantial decrease in rates for the Township's residents and businesses.***

Judge Mack failed to enforce the terms of the parties' March settlement agreement which would have extended the ratemaking procedures beyond June 30, 2018 and into the future. The ratemaking procedures were negotiated by the parties' own rate experts and deemed by all to be reasonable and consistent with industry standards, and included specific terms for future changes to the ratemaking formula in five-year intervals. Unfortunately, the Court's

Judgment failed to clearly enforce the parties' agreement to continue the agreed-upon rate methodology into the future.

Given the substantial amounts of time and money spent on litigation which has now resulted in the City's being allowed to backtrack on the agreement it made in March for a ratemaking formula going into the future, the Township Board has directed legal counsel to initiate appeal procedures regarding the portions of the parties' settlement agreement which the Circuit Court failed to enforce.

The appeal will not call into question the monetary settlement reached by the parties for the years 2014-2018, which locked in reasonable rates for those years and which was a great result for the ratepayers of Alpena Township.

Township officials are hopeful that the parties will continue to have a dialogue while the appeal process is pending, allowing for the implementation of a long-term rate agreement consistent with the reasonable settlement agreed to by the parties in March and avoiding future litigation.

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