

TOWNSHIP OF ALPENA
For immediate release – July 9, 2014

Alpena Township pays City water and sewer bill based on prior rates.

Alpena, Mich. -- Alpena Township recently paid the City of Alpena's water and sewer bill based on the last lawful rates promulgated by the City. In making its June utilities payment, Alpena Township rejected the City's May 1, 2014 rate increase as excessive and unreasonable.

Alpena Township Supervisor, Marie Twite, explained in a letter accompanying the payment that the City improperly billed Alpena Township for services it does not provide the Township. Unlike its service to City residents, the City does not provide the Township local sewage collection and water delivery services, but the City's new rates charge the Township for those local services anyway. Alpena Township operates its own local water delivery and sewage collection system to serve Township residents.

"Since the Township does not benefit from the substantial costs of the City's local sewage collection and local water delivery services, it is not reasonable to charge the Township rates that reflect those local services," Twite stated. "Further, by charging the Township rates based upon local services the City does not provide the Township, the City unlawfully subsidizes the rates of the City residents who do receive those local services."

The City's May 1 water and sewer rate increase breaks with decades of past practice, in which the City only charged the Township for the wholesale water and sewer services it actually purchases. The Township has asked the City to promulgate proper wholesale water and sewer rates that do not subsidize the local services provided to City residents, but the City has so far refused to propose proper rates. The city cancelled an April 30, 2014 meeting to settle the dispute with the Township, and the meeting was never rescheduled.

Alpena Township paid its June water and sewer bill based on the rates in effect prior to May 1, 2014. The Township said it will continue to pay the City based upon those prior rates until proper rates are established. The Township also reserved its right to contest past water and sewer overcharges by the City.

Further inquires may be directed to:

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A PDF of this document may be found at the Township's website, www.alpenatownship.com .