

Elk Rapids Township Special Meeting Minutes, May 26, 2017

A special meeting of the Elk Rapids Township Board was held at the Elk Rapids Government Center located at 315 Bridge St. Elk Rapids. The meeting was called to order by Supervisor Amos at 2:00 PM. The meeting was recorded to provide accuracy.

Present: Supervisor Dorance Amos, Clerk Shelley Boisvert, Treasurer Mike Szymanski, Trustee Richard Hults, and Trustee Aaron Isenhart

Also Present: B. Derman, A. Nordman and Brad Muma (Performance Engineering), M. Zimmerman (Varnum LLC) and 50 members in the audience.

Birch Lake Sewer

Pledge of Allegiance

1. Engineering Report: Performance Engineering

Aaron Nordman had a power point presentation (copy attached or available in the office).

Nordman explained the background of the Birch Lake sewer system, gave an assessment of the existing system as it stands today, and an analysis of costs. He provided a Pro Forma Finance Statement for Birch Lake that goes out over a 5 year period that shows by the year 2019 the Birch Lake fund will be in deficit.

2. Attorney Report: Matt Zimmerman from Varnum LLC had a power point presentation (copy attached or available in the office).

Zimmerman reviewed the original sewer ordinance and operation agreement with the Village of Elk Rapids and any amendments that have transpired over the years. He was asked to take a look at any issues that could be identified or changed that may help with regard to the funding of the system.

His conclusion in part was that the system will be operating at a deficit and that the replacement fund for the collection and interceptor pipes, lift station and pumps is insufficient. Funds would have been sufficient but were used for replacement of grinder pumps and panels.

Options for addressing the problems:

- A. If the Township wanted to continue using the sewer system funds to repair and replace building sewers on private property.
 - Raise rates high enough to build up equipment replacement fund to where it should be.
 - Would require transferring the equipment and easements to the Township.

- B. No longer pay for building sewer repair or replacement with sewer system funds.
 - Sewer rates could remain at current level for now
 - Evaluate sewer rates in the future to insure for accumulation of an adequate replacement fund for the Township collection and intercept pipe, lift station and pumps.
3. Board Questions and Discussion
4. Questions and Answers with the Public: Several emails were read and members of the audience spoke.
 - There were questions regarding what the maintenance process would be if the pumps and grinders were going to be the property owner's responsibility.
 - Would there be a way to charge properties that received new pumps and panels over the years and could that cost be spread over a period of time.
 - Comments about reestablishing the committee from several years ago to help work through these issues.
 - Question to the attorney about a 1996 Gosling Czubak report.
 - What a possible target date may be for any of this.

Supervisor Amos asked Nordman and Zimmerman what their recommendations for the Board would be.

Nordman said the only option that makes sense is to make the separation between what is in the right of way and what's on private property and move forward from there. Fifty three percent of the sewer billing is going toward the grinder pump stations. We could reallocate that and put it toward the public system to take care of some of our maintenance issues there without a big impact to the billing.

Zimmerman said he agrees with Nordman. To keep the system functioning at a reasonable rate requires the Township no longer using system funds to repair and replace grinder pumps and panels. That is private property and should be the responsibility of the property owner.

Another special meeting is set for Friday, June 2, 2017 at 2:00 PM at the governmental center at 315 Bridge Street.

Adjourn: 4:10 PM