

<p style="text-align: center;"> YANKEE SPRINGS TOWNSHIP BOARD OF TRUSTEES <u>Special Board Meeting</u> <u>Wednesday, December 20, 2017</u> 7:00 p.m. Yankee Springs Township Hall 284 N. Briggs Rd., Middleville, Michigan 49333 </p> <p style="text-align: center;">MINUTES</p>	<p> MINUTES Page 1 of 7 YST Bd Trustees 12-20-17 Approved Jan. 11, 2018 </p>
<p> <u>Meeting called to order at approximately 7:00 p.m. by Supervisor Mark Englerth.</u> <u>PLEDGE OF ALLEGIANCE:</u> <u>Roll Call:</u> Present: Jansma, Englerth, M. Boysen, VandenBerg. <u>Absent with notice:</u> Jan Lippert (Clerk) Catherine Kaufman, YS Township attorney is present <u>Also present:</u> Christian Meyer, Legal representation of Shalinda Development and Geoff Moffat, JD PCP – Developer Representative of Shalinda Development <u>Staff Present:</u> Larry Knowles (GLASWA Director), Sandy Marcukaitis, Rich Beukema, Greg Purcell, Todd Delamar, Cathy Strickland, Mike Peiffer (of the Water Utility Advisory Bd.) <u>Visitors:</u> 6 (not including those mentioned above). <u>ADDITIONS/CHANGES TO AGENDA: NONE</u> </p>	<p> CALL TO ORDER PLEDGE ROLL CALL </p>
<p> <u>PURPOSE OF MEETING:</u> Discussion with representatives of Shalinda Development (Final Preliminary Plat approval). Regarding Offer consideration of the looping of the Water System – Payne Lake Rd. </p>	<p> <u>PURPOSE OF MEETING</u> </p>
<p> <u>PUBLIC COMMENT:</u> Greg Purcell: serves on Water Utility Advisory Board, reviewed the following document: (hard copy was distributed to those in attendance.) <u>The Yankee Springs Water Utility Advisory Board: Position on Distribution of Cost/Benefit for the Shalinda Development</u> dated December 19, 2017 was signed by the following members of the Water Utility Advisory Board: <p style="text-align: center;"> Todd Delamar, Greg Purcell, Michael Peiffer, Rich Beukema. Abstained from signing: Alice Jansma (YS Board member) </p> </p>	<p> PUBLIC COMMENT </p>

Yankee Springs Water Utility Advisory Board
Position on Distribution of Cost/Benefit for the Shalinda Development
December 19, 2017

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The Water Utility Advisory Board was created by the Township and charged with providing advice to the Township Board on, among other things, the following:

- The Water System Master Plan
- The Water Service Area and Any Proposed Expansion of the Service Area
- Water Rates and Connection Fees or Other Charges

The recently proposed Shalinda Development raises questions and issues within the charged responsibilities of the Board. As such, the Board wants to go on record with the Township by raising the following questions and issues.

Discounted Water Hookup Fee. It is rumored that the Shalinda development, along with the previously approved Pine Meadows development have (or are scheduled to) received a \$1,000 discount on hookup fees. The Water Advisory Board would like to know what documentation is in place authorizing such a discount, when and why it was authorized, what property it covered in the past and whether it is applicable to the proposed Shalinda development.

In the view of the Water Advisory Board – **All hookup fees should be the same and applicable to “all” properties seeking to hook up to the water system in a fair and equitable manner.**

S. Payne Lake Water Loop. The Water Utility Advisory Board has been supportive of the preliminary final plat of the Shalinda development. The Water Advisory Board has recommended that the proposed development ensure that the required infrastructure be installed to support the development – including improvements recommended by the Fire Chief, Fleis & VandenBrink, and the Water Utility Director. We further recommended that a negotiating team work out the cost/benefits of the required Water Loop to determine how it would be paid for, and suggested a negotiating team composed of the following:

- The Township Attorney
- Engineers from Fleis & VandenBrink

- A Township Board Member serving on the Water Advisory Board
- The Water Utility Director

While this group met with the developer's representatives, it is our understanding that the Township Board is currently negotiating this matter.

The cost of the required S. Payne Lake Water Loop is estimated to be \$282,000, and the Water Advisory Board believes this cost should be shared appropriately based on the relative benefit between three parties-

- **The Shalinda Developer** – The Shalinda Plat is the precipitating project that brings this matter to a head and should pay an appropriate share for the water loop. The loop will eliminate a dead end line that could cause water quality problems for buyers in the development, limits the loss of water service based on a severed line, and increases firefighting capabilities in the development.
- **Yankee Springs Township** – The Township levies a millage for fire services, and looping the water system will improve the firefighting capability of the Township according to Fire Chief Joe Miller.
- **Yankee Springs Water Utility** – The Water Utility will benefit from a looped system overall and should also pay for a share of the cost to loop the water line. It should be noted that the April 2012 Water System Reliability Study recommended this water loop be constructed – see page 17.

It is our understanding that Fleis & Vandenbrink originally proposed a one-third share for each of the three parties benefitting from the required S. Payne Lake Water Loop.

In the view of the Water Advisory Board – **the three beneficiaries of the S. Payne Lake Water loop should pay an equal sum toward the construction of the required improvement. In particular, the taxpayers and water rate payers of Yankee Springs Township should not be paying to subsidize the Shalinda Development. Should the developer not be able to pay the construction costs with the first phase of the development, it is recommended that a bond be obtained to guarantee payment for his share of the project which shall be approved by the Township Attorney. The bond shall be for a seven-year period, and the developer shall pay the Township 4% interest on the unpaid balance per annum until the developer's share of the cost is paid in full.**

Larry Knowles, of 2950 Beatrice, as private citizen, read the following letter to the Board:

As a citizen of Yankee Springs, I would like to go on the record as an effort to protect the taxpayers of Yankee Springs.

This Board should consider the interest of the taxpayers when negotiating the S. Payne Lake water loop.

The minutes of the June 29th, 2006 Board meeting indicate that the developer for the Shalinda plat, Shane Vandenberg, was present and discussed the future growth of the water system and who pays for it. A development outside of Section 19 needed water main and was paid for by the township in error – the developer should have paid.

The minutes of the July 13th, 2006 Board meeting state that Shane Vandenberg again discussed the water system and requested the Township Board put a hold on raising the rates at this time. Vandenberg also requested the \$15,000.00 be paid back to the water system that was paid for by the Township for the Boardwalk Marina development in error. Vandenberg went on to state that he feels the users have no responsibility in paying for future growth of the water system.

I happen to agree with Vandenberg's statements. The Township taxpayers and system users should not be paying more than a minimal percentage of the loop that is required mainly due to an existing project needing to be corrected (Pine Meadows) and the proposed plat (Shalinda), both by Vandenberg. I also agree that the users have no responsibility in paying for future growth, in fact I believe that is why the Township requires a hook up fee, so that any new users pay their fair share for the existing system supplying water.

Thank you for considering my comments.

Dee Ryman, of Pine Meadow Dr., commented that she was the mother of Shane Vandenberg. Ms. Ryman commented she would like to know from the Board and from the water people, "What if there's a fire in the area? Nobody has to pay for it except my son. Taxpayers don't have to pay. Do they get to use my hydrants on our property? Ms. Ryman noted there were three (3) hydrants on her property right now...Do I want to save your life? No- to be honest. We pay, we pay. Now you want three more, on Shane's property? I don't get it. My ex-husband and Shane have been working on this for how many years?" D. Ryman noted that she lived across the street from Shane. When she moved in her son had well water and she had city water. D. Ryman said her water "sucked". Ryman commented that her son could be broke before he even gets the plat going. D. Ryman asked that the Board members check around all the plats and see how long it took to get them in. Referring to Shane, Shalinda Developer, D. Ryman commented, "They've been workin, workin', payin, payin' ...more fire hydrants, whatever. It sucks. I wish I would have stayed up on Bill's Lake. Those people were normal. And they had a good board."

At this time, Supervisor Englerth called for a Short recess for the Board to go into CLOSED SESSION.

Motion by Jansma with support from Boysen to go into closed session for the purpose of discussing the written opinion of the attorney. ROLL CALL VOTE: Jansma: Yes, Englerth: Yes, Boysen: Yes. Vandenberg: Abstained, J. Lippert: Absent. Yes: 3. No: 0. Abstained: 1. Absent: 1. MOTION CARRIED.

The three Board members (Jansma, Englerth, and Boysen) went into CLOSED SESSION with Attorney Kaufman at 7:15 p.m.

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PUBLIC COMMENT
(continued)

MOTION TO GO INTO CLOSED SESSION (7:15 p.m.)

BACK to OPEN Session:

The board members came back to the public (Open) session at 8:16 p.m.

After coming back to open session, Supervisor Englerth thanked the audience for their patience and commented that the Board unanimously supports this development. “We think it’s the right development in the right place and the right thing for the community. Unfortunately sometimes how you get there- and we’d all like to think we’re experts- but if you do four (4) subdivisions in 30 years in Yankee Springs it is probably the milestone so... A little awkward, the water system that we inherited makes it a little more difficult, but we are determined and committed to finding a resolution that’s a ‘win-win’ for the community for the people on the water system and for the developer and we think we are just a little bit a way from that.”

Englerth commented that the Board would like clarification on the offer.

C. Meyers, Legal representation of Shalinda Development commented, “Under the current resolution in place, the developer has the right to install - his paid fees for the installation of each of his twelve (12) units at \$2,500 per unit- per structure- let’s put it that way - for a total of \$30,000. That represents a \$1,100 reduction from the normal tap in fee of \$3,600 and the reason for that reduction is because the developer paid for the current extension that goes up next to the church and comes up Pine Meadows Drive and goes over to Payne Lake Rd. And so the developer’s proposal and settlement would be that rather than paying for 12 tap in fees, the developer will pay for 24 tap in fees. It’s 12 structures but 24 units because usually a duplex has only one tap in fee because the owner pays for the water and just charges it to the tenant on the other side. The developer would pay for 24. So 24 units and would pay for the full amount of the tap in fee at \$3,600 per tap in fee for the total of \$86,400 – total amount of contribution above and beyond the water system of \$56,400. The developer will pay \$10,000 of that upfront to be credited against the first tap in fees. The remainder will be paid as building permits are pulled for each structure. The loop would be contracted for and built by the end of 2019. And if not built, this deal would be cancelled. The goal is that we have a mutual deal here. We pay a chunk of the cost and the loop is actually built. And then that will be the total amount owing by the developer. I know you have talked about doing a Special Assessment, but the point would be this would be the total amount owed by the developer for the Shalinda plat.”

Englerth inquired and the Board confirmed that they were comfortable in the direction that they were headed.

RECESS was taken again at 8:23 p.m.

(Going into further discussion during this recess were two board members (Jansma and Boysen) and YS Attorney C. Kaufman with C. Meyer and G. Moffat (Shalinda Development). Englerth noted just before recess that the Board cannot have a quorum- so just two (2) board members went in with legal counsel.

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Open Session began again at 8:16 p.m.

RECESS

Public Meeting Resumed at: 8:50 p.m.

At 8:50 p.m. The two board members and attorneys: C. Kaufman (YST), C. Meyer (Shalinda), G. Moffat (Shalinda Developer) came out of a meeting in the township office.

At that time (8:51 p.m.):

*Motion was made by Jansma with support of Boysen to go into closed session with M. Englerth as well (quorum) with C. Kaufman (YS Attorney). **ROLL CALL VOTE:** Jansma: Yes, Englerth: Yes, Boysen: Yes. VandenBerg: Abstained, J. Lippert: Absent. Yes: 3. No: 0. Abstained: 1. Absent: 1. **MOTION CARRIED.***

BRIEF CLOSED SESSION (8:51 – 8:57 p.m.) then RECESS: (8:57 p.m. to 9:02)

At the end of the closed session, Mark Englerth and Deb Mousseau, Recording Secretary, left the Closed Session. The Legal Counsel and Prof. Developer of Shalinda (Meyer and Moffat) went into discussion with YS Attorney, C. Kaufman and Jansma and Boysen (**no quorum**) during a brief recess.

*Motion by Jansma and Boysen to come out of Closed session and recess at 9:02 p.m. Roll Call: Jansma: Yes, Boysen: Yes, Englerth: Yes. Yes: 3, No: 0, Abstained: 1, Absent: 1. **MOTION CARRIED.***

Englerth confirmed that the Board had reached an agreement. Englerth asked S. VandenBerg if he was comfortable and happy? Response of Meyer: “For the record, client shrugged at first question and was ok with the agreement.”

YS Attorney C. Kaufman reviewed the developer’s offer that was accepted except for one change:

“They (Shalinda Development) believe they have the right to install 12 taps at \$2,500 tap in fee for \$30,000. That would reflect a \$1,100 credit or reduction from the normal tap because they paid for the extension of the line originally when they built their subdivision.

Their proposed offer was 24 tap ins vs. 12 at full cost of \$3,600 a tap in totaling \$86,400 which they believe is a \$56,400 additional contribution toward the extension of the water line.

Their offer is to pay \$10,000 up front. ‘We can reduce this to writing which we will,’ commented Kaufman.

The remainder will be paid as the permits are pulled.

The looped water line will be built and in place by the end of 2020. (Which YS Township Board changed from the end of 2019 to the end of 2020). If not in place by the end of 2020, then the deal would be void.

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RESUME BRIEFLY

Again:
CLOSED SESSION

RESUME PUBLIC
MEETING

And that's the agreement that we reached. And so the Township Board has the ability to figure out the rest of what portion will be carried by the Water Authority and a portion of it to be covered by the township and determined how and in what capacity they will cover that," concluded Kaufman.

The developer's attorney will reduce it in writing and give it to C. Kaufman for review. "And if it's all good the board will have it in front of them at their January meeting for execution and approval," commented Kaufman.

Again Englerth inquired of S. VandenBerg if he was happy. C. Meyer stated "Again, shrug (from VandenBerg). That is the agreement with the only thing that the ... board won't do a special assessment against Shalinda that would be the full extent of our contribution." Englerth inquired if there was anything else at this time. C. Meyer confirmed there was nothing else.

C. Kaufman commented that the 120 days will start if the agreement is executed at the January 11, 2018 meeting. G. Moffat commented that would take the developer until May. It will be going back to the township engineer not to the Board, commented C. Meyer.

"The actual construction is subject to inspection and testing of the water system, the drain commissioner will have his engineer do construction inspection on drainage and the road commission will inspect the road construction," per Geoff Moffat. "Water main oversight would be done by your contractor, GLASWA and/or Fleis and VandenBrink if you so choose," added Moffat. We'll assume the township engineer is going to do the construction inspection and testing," commented Moffat.

Board Comments:

Michael Boysen commented that he's glad it's moving forward because we have so many other things that he'd like to work on in the township. "We'll put this to rest and as it moves forward, we'll figure out the funding. That's for future meetings," commented Boysen.

Alice Jansma commented "It's almost Christmas and taxes are coming in like crazy."

ADJOURNMENT:

Motion by Jansma with support from Boysen to adjourn at 9:10 p.m. Approved by all. Motion Carried.

Respectfully submitted: Date: _____
Deb Mousseau
Recording Secretary 12.20.17 Distribute date: 12-28-17 /jel
Approved : January 11, 2018
Janice C. Lippert, Township Clerk

Board Comments

ADJOURNMENT