

<p style="text-align: center;"> <b>YANKEE SPRINGS TOWNSHIP</b>  <b><u>BOARD OF TRUSTEES</u></b>  <b><u>Special Board Meeting</u></b>  <b><u>Wednesday September 5, 2018</u></b>  <b>6:00 p.m.</b>  <b>Yankee Springs Township Hall</b>  <b>284 N. Briggs Rd., Middleville, Michigan 49333</b>  <b>MINUTES</b> </p>	<p> <b>FINAL MINUTES</b>  Page 1 of 7  YST Bd Trustees  9.5.18  Distribute draft 9-19-18  (on Consent Agenda  10-11-18)  Approved Oct. 11, 2018 </p>
<p> <u>Meeting called to order at 6:00 p.m. by Supervisor Mark Englerth.</u>  <b><u>PLEDGE OF ALLEGIANCE</u></b>  <u>Roll Call:</u> Present: J. Lippert, Englerth, Boysen, VandenBerg.  <u>Absent with notice:</u> A. Jansma.  <u>Staff Present:</u> Rich Beukema, Greg Purcell  <u>Visitors:</u> 2 - (Don DeVries, of Fleis &amp; VandenBrink &amp; Larry Knowles, GLASWA Director). </p>	<p> <b>CALL TO ORDER</b>    <b>PLEDGE</b>    <b>ROLL CALL</b> </p>
<p> <b><u>PURPOSE OF MEETING:</u></b>  <b><u>Meeting with Fleis &amp; VandenBrink regarding Yankee Springs Water System – Michigan Rural Water’s Rate Study – as mentioned at the August 9<sup>th</sup>, 2018 Regular Township Board Meeting.</u></b>  M. Englerth gave the introduction to meeting. The following are some comments from the discussion:  Rates of local municipalities were mentioned. Shane VandenBerg requested that Don DeVries of Fleis &amp; VandenBrink give a comparison of those municipalities’ water rates that are similar to YS Twp.  Larry Knowles mentioned Rural Water’s warning -that comparisons could be made to failing systems.  M. Boysen commented on basically managing and understanding variables, and then the rest is like “gazing into the crystal ball” as for the unknowns.  D. DeVries commented that some things are known, and some are unknown (guesses). DeVries mentioned ductile iron having a long life span of 120 years and the same amount with the water tower.  M. Englerth commented on being fair and equitable as well as, M. Boysen commenting “It still comes down to what is fair and equitable (rate-wise) for the public.”  S. VandenBerg commented on whether it would be fair and equitable for current users to pay for future infrastructure.  D. DeVries mentioned Barry Township as being similar to Yankee Springs Township. </p>	<p> <b><u>PURPOSE OF MEETING</u></b> </p>

G. Purcell commented on where the township is now with its current rates- in top third. Purcell mentioned that maintaining the system is not a huge cost and that one item for the rate increase is the \$282,000 for the extension of a water line around Little Payne Lake. "That's a lion's share of the cost that is pushing this rate up in terms of these projections," added Purcell. Purcell noted that a grant would be great and mentioned a 2.5% loan is what the township should be going after. (Loan/grant information was recently received from the Michigan Rural Water Association.) Another item that Purcell felt should be addressed is "Who's going to pay for it? Purcell noted that it had been decided upon that the developer will be paying the \$3,600 hook up fee as residents get online. Purcell noted three sources to pay for this: 1) a grant from the State of Michigan, 2) the YS Township tax rate, and 3) the water utility customers. G. Purcell referred to the Water Reliability Study of 2012 in which the extension was included. Purcell noted that the public should be made aware of.

M. Boysen commented that the key thing he heard in G. Purcell's talk was "if". M. Boysen commented that he knew it was the ideal (to have the extension), "but I don't think it is necessary... I personally don't think it's a good spend.... It's an argument that I don't fully believe." Boysen also mentioned the issue of stagnant water.

Englerth commented that the meeting was for input with Don DeVries, with D. DeVries taking it in and coming back with information, but not for making decisions.

DeVries commented "I'm recommending it (loop) and will probably still hold to it. The DEQ is recommending it." DeVries talked about stagnant water and noted that the DEQ is always pushing to get rid of dead end lines because of the inherent problems with them.

Englerth mentioned putting a line in to the south (from M-179 with an easement) to accomplish the loop.

S. VandenBerg commented on self-bleeding fire hydrants on timers. (None are in YS Twp. system at this time).

DeVries commented on the self-flushing hydrants and freezing being problematic in the winter.

VandenBerg commented on looking at a little bit of a problem vs. \$300,000.

Englerth commented that there isn't any right answer, the board has to come with the best answer.

DeVries mentioned payoff dates on major water loans as 2023 & 2027.

Knowles commented on weighing out items on the board's wish list in regards to affordability – asking what's at the top and what's at the bottom of the list. "If the loop's at the bottom, it's at the bottom. If taking care of your equipment is at the top, do that."

Boysen commented on the difficulty of "selling" a rate change -because of the loop- to the public.

VandenBerg commented that the loop is a recommendation. VandenBerg commented that he had documentation regarding the loop being mandatory.

Knowles asked VandenBerg "Who said it was mandatory?"

VandenBerg would not reveal the source of that information, but commented he would get it for Knowles.

Knowles commented that the bottom line was that the board has to look at this “all the way through. The loop was basically in their 5-year plan, and that was in 2012. I think you’re nuts if you think somebody was going to recommend this without it. I can’t believe that anybody’s shocked that there was a recommendation for it. With that being said, I think you still end up at the same place. You have a whole bunch of stuff that’s got to happen here and you have got to decide which of the stuff you want to happen and which stuff you don’t have to have happen. I don’t think this is unique to any other water system either. I think they all struggle with this exact same thing.”

DeVries commented on going through capital improvement planning with most of the water systems that they (Fleis & VDB) work with. DeVries mentioned replacement of aging lines and also looking at getting rid of dead end lines.

Boysen commented on understanding the perspective of DeVries from an engineering standpoint, and added that is was sound. Boysen comment on the timing of the loop.

DeVries commented on maybe waiting for the large water system loans to be paid off, but still planning ahead. DeVries commented on a two year cycle for grant funding and low interest loan funding. There is a window right now and DeVries would recommend the Drinking Water Revolving Fund which they’ve used to fund both the water tower and arsenic treatment system. According to DeVries, the window is basically one time a year where you can submit an application, May 1<sup>st</sup> of every year. If an application was submitted May 2019, the money would not be available until the following fiscal year, 2020.

M.Englerth commented that the board has to come up with the best plan that can be presented to the public.

DeVries asked if the question was asked of Rural Water, “If you removed the \$280,000 improvement, say we are going to fund that differently, what would the proposed rates be?”

G. Purcell commented that the question was asked, but an answer hasn’t come back yet. Purcell commented that he felt that the rate change would go down approximately from 70 or 69% to 20%-ballparking it. Purcell also commented that as a consumer, the water line does him “zero” good. It doesn’t make any difference to him as a consumer whether that loop is in. “But you have to think of, as the trustees, of the long term benefit of not using it as the consumer, but of the system.” Purcell commented about applying in May and having the opportunity and option. “The economy is good right now. Things are happening..... But at some point if had it in 2012, the water reliability study, you were going to do this, you said it in a 5 year plan and 2017 is history..... Timing is important and look at this thing as to whether you going to do it at all, but if you decide at some point you are going to need to do it, ... you have to think about the best way to do it.” Purcell felt going with the State of Michigan in terms of funding, “over a long period of time, is clearly to the benefit of the township residents and water system customers”.

Englerth noted the history of other subdivisions, and the promises of developers.

VandenBerg noted to DeVries that the township has dead ends in the system and asked DeVries if it was important that we start looping those too.

DeVries commented that it would be great if we could. DeVries mentioned canals at the south end.

VandenBerg wanted to know why the one going down Payne Lake Road became so important.

DeVries commented on the length being a factor.

VandenBerg asked how often does the township blow out the dead end fire hydrants a year? Knowles answered that it was twice a year.

VandenBerg asked, "What if we moved that up to 6 times a year. Would the safety factor be kicked up a couple notches?"

DeVries agreed with VandenBerg that it would help with chlorine residual, stagnancy and bacteria growth.

VandenBerg suggested L. Knowles coming up with a number for GLASWA blowing out hydrants every two months, (six times a year).

DeVries commented that he would like to know what his marching orders are walking out of this.

Englerth commented on having the very best business plan DeVries can come up with – with not more than four (4) options.

Having (Michigan) Rural Water join the meeting was noted and having DeVries consult Rural Water.

Englerth asked whether the business plan can we resolved in two or three meetings.

Boysen mentioned "Maybe laying out a time line that makes sense. Maybe the loop is not necessary at this part in time. It's definitely recommended. But should we revisit it at three years or maybe five years? Those are the kind of things that resonate with me. We've got a time line that we can start working with. And like Greg said, 'We can start going after the money now.'"

VandenBerg commented on being in the building industry, and making recommendations to customers, "it doesn't mean that I'm going to say to my customer that I'm not going to work for you unless you do exactly what I want you to do. Think about that. You know they'd fire me."

VandenBerg requested that DeVries looking into smaller townships and getting information on what their rates are.

DeVries commented that he would like to talk to Rural Water, and maybe having Rural Water at the next meeting.

Knowles commented on one of the variables (the township is dealing with) being how soon the township paints the water tower. Knowles noted that what time period given (by Rural Water/Engineer) means a lot toward what dollar fee the board comes up with.

Purcell commented that he would like this to be put in agenda format for DeVries & Rural Water to be addressed at the next meeting:

- Rate without Payne Lake loop
- State loan - time frame for doing that, the cost for putting it together, who are the players and what has to transpire – bullet point list of what it takes to do that and what the time frame would be.

- Iron ductile vs. plastic – pros and cons
- Pros and cons of looping the system and what the length is- a dead end and the long distance is a problem. “Can we set some parameters saying ‘at this distance we’re probably not going to worry too much about it, just bleed it a few extra times like Shane was talking about asking whether that was a good idea. Then the bleeding- maybe there’s a policy that we need to establish instead of bleeding these twice a year, there are some that are dead end lines that we need to bleed every two months or every three months so that you get that done a little more frequently,” added Purcell.

Purcell felt that having these listed items detailed would help the board come to a consensus a lot easier and it would be easier to make decisions.

VandenBerg inquired of DeVries on changing an 8” to a 12”. “Does that give you more gpm in a 12” line?” asked VandenBerg. DeVries commented that better flow would come out with the 12” end of the line because of the reduction of friction losses.

VandenBerg commented on being concerned about the 8” going to the 12” that previously went into the Patterson Rd. line. VandenBerg commented that the people think the township paid for it for future infrastructure. VandenBerg remembered that the minutes said that the township paid for it. “The township did not pay for it out of the General Fund. It wasn’t the township that paid for it and that’s the way it was written up,” added VandenBerg.

Boysen commented on getting some township policies on how we deal with any development and handling utilities. “It got politicized, I think and there was some weaponry used in there. And that wasn’t healthy for any of us. So if we establish a policy as a board, on how to go forward. We can’t negotiate every time.... We don’t have a policy on how we deal with these underground utilities as it pertains to developments. ... It’s really messy.” Boysen requested that it be an agenda item for the board.

Purcell commented on contacting utility companies as a reference.

VandenBerg commented, “The township attorney told the board in a written document that offsite infrastructure did not have to be paid for by a developer.”

Knowles agreed and asked if the attorney also said that it had to be paid for by the municipality?

VandenBerg commented, “No.”

Boysen commented that he didn’t want to get into this kind of argument tonight, and wanted to avoid it.

Knowles commented that it was key because VandenBerg was talking about “the municipality is not going to pay or Consumers is not going to pay to run a gas main. It’s the exact same thing. GLASWA won’t do that. We won’t extend our sewer 500 feet to your property for free. If you want it done, you’ve got to pay for it. Even when it crosses somebody else’s property. I can’t make you do it.”

Boysen commented “And in the case of the loop, it was never really, absolutely....”

Knowles commented “We’re not talking about the loop are we?”

G. Purcell commented that the discussion was about overall policy.

Englerth commented that Mr. DeVries was here for information so that he (DeVries) could bring back good advice.

J. Lippert asked that a report from the DEQ be included in the information. "It's contaminated water that we have to take care of, so can the report from the DEQ be included?" J. Lippert was referring to a mandate from the DEQ for putting the water system in.

DeVries commented that the DEQ actually put it in.

Englerth commented, "The DEQ did not mandate us to put the water system in. The DEQ put in, used the (super? Fund) to do it, and when they got it done, they handed us the keys." Englerth spoke of ordinances in place. "...Where we owned the service line up all the way up into the basement and every other municipality that I've worked in for forty years, at the curb stop is where the municipality stopped owning it. And we changed that... the township had no anything at it at all. The DEQ overseen the whole thing, handed us the keys and this is kind of how we got here..." "This board has the obligation to understand how we got here, where we are going... That doesn't mean we're going to go and read the meters and paint the water tower, but we need to have a deep understanding of that so that we can make good decisions for the public."

At this time the **date for the next meeting was set for Monday, Oct. 15<sup>th</sup> at 6 p.m.**

Purcell asked to add to the agenda how other municipalities deal with extending the water line. DeVries commented that it was tough to answer because it's "all over the board."

It was noted that the last time there was a rate increase was 2006.

Also noted was that a rate study was never done. DeVries mentioned that the electric bill to maintain the water system (today in 2018) is not the same as an electric bill in 2006.

VandenBerg mentioning having an arsenic removal system and a water tower asked, "Did we apply for grants for those items? And so what happened?"

DeVries commented that the DWRF's (Drinking Water Revolving Fund) grant is usually around the area of 10% and involves a "green" project with energy savings- which must be demonstrated. "Rural Development is the other one and that USDA, the rural development arm, also has grants and they have a rule of thumb that your water rate, they feel a reasonable water rate for any community, should be 1.5% of the median house income." DeVries commented that the problem was that there isn't census data, just the water system."

VandenBerg asked "Does the likelihood of a grant have anything to do with the all it the fund balance of a specific local government?"

DeVries commented, "It will look at the fund balance of the water system, not the fund balance of the General fund." DeVries explained further how the grantor would deal with a fund balance and expenditure requirements of the grantee.

Englerth commented that he would push some sampling of wells and follow thru. Englerth commented on addressing testing samples/dollar amount at the township meeting coming up in a week as an agenda item. Numbers will be needed from DeVries for the next township meeting for testing. The next board meeting will be Thursday, September 13<sup>th</sup>.

DeVries commented that there's probably a good chance that the contamination is still down there since the source was not removed. Flow was to be going south of contaminated area per VandenBerg and DeVries. Dry cleaning fluid and the former landfill was mentioned.

DeVries commented that PFAS is an emerging chemical and should be checked for- when checking the wells. PFAS alone is around \$600 a sample. DeVries suggested maybe testing just a few wells to start.

**ADJOURNMENT:**

Motion by Englerth with support from Lippert to adjourn at 7:34 p.m. Approved by all. Motion Carried.

Respectfully submitted:  
Deb Mousseau  
Recording Secretary 9/5/18

Date: Approved Oct. 11, 2018

Approved : \_\_\_\_\_  
Janice C. Lippert, Township Clerk

**FINAL MINUTES**  
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**ADJOURNMENT**