

<p style="text-align: center;">YANKEE SPRINGS TOWNSHIP BOARD OF TRUSTEES</p> <p style="text-align: center;"><u>Special Board Meeting</u> <u>Water System</u></p> <p style="text-align: center;"><u>Thursday, October 25, 2018</u> 7:00 p.m.</p> <p style="text-align: center;">Yankee Springs Township Hall 284 N. Briggs Rd., Middleville, Michigan 49333</p> <p style="text-align: center;">MINUTES</p>	<p>FINAL MINUTES Page 1 of 5 BOT Water Syst. Fleis & VDB 10/25/18 Draft Circulate 11-01-18 – jcl</p> <p>Approved Nov. 8, 2018</p>
<p><u>Meeting called to order at approximately 7:02 p.m. by Supervisor Mark Englerth.</u> Prior to the call to order, Englerth and VandenBerg left the building for a brief moment.</p> <p><u>PLEDGE OF ALLEGIANCE</u></p> <p><u>Roll Call:</u> Present: A. Jansma, Lippert, Englerth, VandenBerg. <u>Absent:</u> Boysen</p> <p><u>Also Present:</u> Don DeVries, of Fleis and VandenBrink</p> <p><u>Staff Present:</u> C. Biggs- Constable, Water Advisory Committee Members: Todd Delamar, Michael Pfeiffer, R. Beukema</p> <p><u>Visitors:</u> 6 (not including staff) including L. Knowles, GLASWA and Ian Watson, of J-Ad.</p>	<p><u>CALL TO ORDER</u></p> <p><u>PLEDGE</u></p> <p><u>ROLL CALL</u></p>
<p><u>PURPOSE OF MEETING:</u></p> <p>As discussed at the Regular Board Meeting of October 11, 2018; “A Special Meeting with MI Rural Water (Mr. John Monsees) to discuss Water Rate Study; and Don DeVries – Fleis & VandenBrink Engineering; will be scheduled for October 25, 2018 – at 7 p.m. Also Treasurer Alice Jansma’s information on Financing options for proposed Township Water Looping Project.</p> <p>Don DeVries commented on what occurred at the last (Water) meeting, and the items the board wanted D. DeVries to look at and come back to discuss:</p> <ul style="list-style-type: none"> • Contact Rural Water and look at the recommended rates • What other communities have charged for water • Business plan for the future of the water system to keep it sustainable • Ductile Iron Pipe vs. PVC Pipe 	<p><u>PURPOSE OF MEETING</u></p> <p>Don DeVries of Fleis and VandenBrink</p>
<p><u>FLUSHING THE SYSTEM:</u></p> <p>Noted by A. Jansma, it was mentioned at the last meeting that the system could be flushed six (6) times a year, instead of the loop. S. VandenBerg commented that he had suggested the flushing alternative and asked for the cost. L. Knowles provided the flush quote to A. Jansma. \$1,390.00 per flush. Jansma noted that six full flushes would be a total of \$8,340.00 per year. There are 43 hydrants on their system. Cost of \$1,390.00 doesn’t include the running of wells and water treatment. Currently the entire system is flushed twice a year - in the Spring and in the Fall. Don DeVries commented that he didn’t recommend it, but it was something that “you could do.”</p>	

FINANCING OPTIONS FOR PROPOSED TOWNSHIP WATER LOOPING

PROJECT:

Jansma explained that she was asked to follow up with the Bonding Attorney on financing options for the "Looping Project". A. Jansma first gave the bonding information "packet" to board members at the Regular Board meeting of 10/11/18, and again at a later meeting.

J. Lippert commented, that if Shalinda Development is referred to, S. VandenBerg should remove himself from the table and move to the audience. Englerth commented that everyone uses county roads, implying VandenBerg should be able to take part in the discussion.

M. Englerth commented on the current situation and the users that are involved on the water system, noting that financial responsibility is very important, adding "It's a balancing act here." Englerth also asked, "Do we put a time frame on it, when we get 75 more customers? 100 more? I think we all agree if we chose to do anything- it wouldn't be the end of the year."

D. DeVries noted 2024 and '27 are the payoff dates for the major two debts.

A. Jansma referred to information she had obtained in following up with the Bonding Attorney. Jansma referred to a letter from James White in January of 2013, at which point, with low interest rates, it would not be profitable for the township to refinance its bonds. White also indicated not to refinance because of the way it was financed (at that time- 2013). Jansma followed up with that with a second letter. James White retired and Mark Nettleton (assistant to White in 2013) sent back a letter with options (current) to finance the loop.

D. DeVries commented that he pulled the most recent financial audit of Yankee Springs, noting there is a pretty good fund balance (mentioning \$550,000) if the township is looking to pay off items. DeVries also mentioned that paying off the 2003 water tower bond in a few years will knock off another \$40,000 annually off the township budget.

Englerth commented that the township would be a lot more financially healthy pushing it out four years.

D. DeVries commented that the township could go ahead- before that (4 years).

Englerth spoke of the users paying for the water system and this being inequitable. Englerth mentioned the Great Recession, and the subdivision behind McDonald's. Possible future service needs on Chief Noonday (M-179) as well as the water tower capacity, were brought up by Englerth as well. Englerth noted, "So we're not just talking about a loop. As we go down this path, I'm hoping that this isn't all me, that to be responsible to the public, I think we need to look at the big picture." Englerth commented that he didn't think it would all be solved tonight, mentioning that maybe another meeting should be scheduled with Rural Water. Englerth mentioned talk about the nitrate levels and commented "What if we did have to run our water down Patterson Rd.? Does it make sense to try to move the water East from the well house, where the gas station is and the Sand Bar and that. Would those commercial businesses benefit from it? You take the big outfit that owns the gas station, with the ISO rating, how much would it cost if we put that down there? Does it make sense? Could we market it? We're not looking to grow, but if we've got a water system to make us financially sustainable, #1) When they come ask us #2) What are our options? How do we manage it? For the life of me, I don't think we have ever had this conversation as a board, and I think it's time we did."

S. Vandenberg commented that for many years the water system has been limited to Section 19. “We’ve had many opportunities to hook up other areas that are outside of Section 19, but we chose not to. I’m not going to go into it this evening, but I know exactly why.... We just had five or six new wells go in north of Little Payne Lake... We’re right next to Section 19. Why haven’t we considered, all these years, running city water down there? I have the answers also, I used to come to all these meetings.”

A. Jansma commented inquiring if Don DeVries could speak about the items the board had asked DeVries to report on.

DeVries commented on water rates. DeVries has spoke with John Monsees (Michigan Rural Water) quite often over the month. DeVries noted that there is still a rate increase that has to happen. DeVries noted the township hasn’t raised rates since 2006- 12 years. DeVries noted replacement costs of equipment, rate changes- if the loop project is taken off, and capital improvement figures involved in the rate change recommendation. DeVries commented that Rural Water’s Monsees didn’t factor in any of the connector fees, and this past year it totaled about \$40,000 (for a year of connector fees). DeVries gave a figure of \$22,000 for equipment replacement and \$15,000 for Capital Improvements (budgeted), bringing the annual cost of the system up to around \$190,000. DeVries noted making rate changes in progression, or in increments. DeVries commented on the payoff of the bond taking another \$40,000 off its annual \$160,000 water system cost right now. Further board discussion took place.

DUCTILE VS. PVC PIPE:

Don DeVries compared **Ductile Iron with PVC**. DeVries distributed, and commented on, the information below:

Item	Ductile Iron Pipe	PVC Pipe
Lifespan	110 years	55 years
Material Cost	\$17.50 / ft (8")	\$8.30 / ft (8")
Pipe Stiffness	Rigid	Flexible
Tapping	Direct tap	Requires saddle
Corrosive	Yes (can add PE encasement)	Immune
Pipe Locating	Electrically Continuous w/ wedges	Locator wire required
Pressure Class	Up to 350 psi	Up to 305 psi
Pressure Surge Allowance	100 psi	40 psi
Hydraulics	140 c-factor	150 c-factor
Pipe Lengths	20 ft	20 ft
Installation	Heavier (requires equipment)	Lighter
Petroleum Contaminated Soils	Allowed w/ nitrile gaskets	Not allowed

After reviewing this information, board discussion occurred. DeVries commented on the State of Michigan coming up with the same findings that he did (regarding ductile vs. PVC).

MOTION by A. Jansma with support from Englerth to continue to use ductile iron for at least five years and then revisit it. ROLL CALL: Jansma: Yes, Vandenberg: Yes, Lippert: Yes, Englerth: Yes, Boysen: Absent. Yes: 4, No: 0, Absent: 1. MOTION CARRIED.

MOTION to CONTINUE with Ductile Iron Pipe.

After the vote, **S. VandenBerg** commented on getting the cost of flushing six times a year for 7 to 8 dead ends, which he referred to as the critical ones.

D. DeVries commented on the flushing requirement of twice a year by the DEQ and DeVries also added that increasing the flushing of those lines would help to get the stagnant water and low chlorine residual out. "I think Larry (Knowles) was concerned about getting the water out to the dead end lines."

L. Knowles commented that the cost/quote that he gave was for the system toward the dead ends.

At this point, Englerth directed the discussion to Rate Increases.

A recess was taken per Englerth to assign a dollar amount to projected increase(s) as requested by A. Jansma.

RECESS: 8:08 p.m. RESUME: 8:30 p.m.

After the recess, Englerth made the following motion:

Motion by Englerth with support from A. Jansma to increase the water rates \$2.00 per month for the first, second, and third year(s) regardless of the meter size, to be revisited on the anniversary of each year for three (3) years, effective as of the next billing cycle beginning January 1, 2019. ROLL CALL: Jansma: Yes, VandenBerg: Yes, Lippert: No, Englerth: Yes, Boysen: Absent. Yes: 3, No: 1, Absent: 1. MOTION CARRIED.

Prior to the Roll Call vote, Lippert called for discussion commenting that she felt it was wrong, that this was being discussed tonight (rate increase amount). "We should inform the public of what we are doing to the users of the system, at a regular, published meeting." Lippert commented that the agenda for this evening was a rate study. Mr. Monsees (of Michigan Rural Water) was unable to attend. "This is wrong, we should publish it, and make it a public hearing," added Lippert.

Englerth commented on future Agenda items:

- A gallon rate per 1000 gallon vs. meter rates
- Discussion occurred regarding the rate increase being in resolution form and/or being part of the Ordinance.

RATE COMPARISON TO 120 MICHIGAN COMMUNITIES.

Don DeVries commented on having a document that is a 2016 Rate Study of 120 communities throughout Michigan.

DeVries noted **Yankee Springs** was ranked 79 out of 120.

BREAK

Resolution No.
10-25-18
Water Rate Increase
3 years

**MOTION to
Increase Water
Rates.**

After DeVries plugged in the proposed rate - (\$84 per quarter for the base rate and the 4.75 commodity rate), **the township jumped from 79 to 111 out of 120**, (if YS went all the way with the proposed rate – before this evening’s rate increase motion).

Discussion took place regarding having a comparison with similar communities. DeVries commented that he could make individual calls to each community, but DeVries didn’t know if the township board wanted to extend that cost (of DeVries making calls).

Discussion also took place about okaying the testing of existing wells. It was noted by Englerth that not all tests are created equal. DeVries agreed regarding PFAS, an emerging element, not being looked at five years ago.

Discussion took place regarding specs for the water system. Jansma commented on the new set of Water Specifications and Water Contract still needing to be addressed by the Board. These items have not been voted on by the Board. Englerth agreed with Jansma that the two items should be addressed at the next meeting (see next paragraph). Discussion occurred on obtaining the “old specs”.

It was then determined that, in a work session, after the 1st of the year, the Water Specifications and Water Contract will be addressed, and Don DeVries will be involved in the meeting.

S. Vandenberg asked D. DeVries for phone numbers of approximately a dozen municipalities to make phone calls for rate comparisons. DeVries commented that he could do that for S. Vandenberg.

PUBLIC COMMENT:

Ed Hoogstra, of S. Payne Lake Rd, asked for notifications of meetings to possibly be put in The Reminder or Sun & News regarding the water system. Hoogstra commented that he had read about the Payne Lake Weed Extension. Lippert commented that the meeting minutes are listed on the website, and hard copies are available in the office.

ADJOURNMENT:

Motion by Vandenberg with support from J. Lippert to adjourn at 8:58 p.m. Approved by all. Motion Carried.

ADJOURNMENT

Respectfully submitted:	Date: Circulate draft 11-01-18 jcl	Approved Nov. 8, 2018
Deb Mousseau		
Recording Secretary 10.25.18	Approved :	_____
		Janice C. Lippert, Township Clerk