

GREEN CHARTER TOWNSHIP HELD A SPECIAL MEETING APRIL 3, 2009 AT 9:15 A.M.  
OF THE SEWER COMMITTEE MEETING AS A WHOLE

Board in attendance were B. Waldron, J. Peek, J. Clark, R. Baldwin, D. MacFarlane, G. Todd, N. Stephan  
Others in attendance were Vivian and Fred Smith from Big Rapids Township.

The Supervisor opened the meeting with the pledge of allegiance.

Supervisor B. Baldwin explained Big Rapids City Mayor Mark Warba and Manager Steve Sobers would be attending this meeting.

Supervisor B. Baldwin has taken many hours to review the sewer agreements and recent analysis.

The following point concerning the Sewer Usercharge agreement and sewer issues were discussed:

1. 1995 sewer contract is the current contract in place with the City of Big Rapids, no parties have signed off.
2. 220<sup>th</sup> Avenue expansion presently is a mute issue.
3. Sewer rates to the township have been frozen to the 2007-2008 rates until the city completes the User charge report this is going into the third year and nothing ready yet from the city.
4. Currently the City has sent us three draft analysis documents dated, November 24<sup>th</sup>, January 2<sup>nd</sup>, and Feb.5<sup>th</sup>
5. Should the 1995 agreement be amended (modified) to be clearer and condensed, suggesting the items of explanation as in the 1995 agreement still need to be included in the User charge agreement.
6. Attorney J. White who has been assisting the township has reviewed all a three of the draft analysis documents.
7. Points of concern are depreciation, collection system, IPP and administration costs.
8. The supervisor suggests the township stay firm with the 1995 contract agreement.
9. Consensus that this sewer User charge issue needs go get finalized before moving to the next issue, as the City of Big Rapids library funding.
10. Mayor Mark Warba met with township supervisors of Big Rapids and Green Townships, and concluded that Eric Williams the Big Rapids City attorney needs to be brought back to the table of discussions, because he was involved when the 1995 agreements were written.
11. Ice Mountain sewer rate and disbursement of that revenue?
12. Essential to finish the User charge agreement clearly completed and that would eliminate additional attorney fees.
13. Has the Big Rapids City Commission been brought up to date on all the Sewer User charge information?
14. Need to stay with the "1995 contract"

**MOTION** was made by J. Peek and supported by N. Stephan to put all public information on the township website. **MOTION CARRIED. 7 YES.** Waldron, Peek, Clark, Baldwin, MacFarlane, Todd, Stephan.

Other items of discussion were:

Charlie Brown Park weed problem.

The report from the Mecosta County Road Commission on road projects in the county and brining.  
9:50 the board took a ten minute break.

**10:00 a.m. the meeting reconvened.**

The township board was joined by Big Rapids City Mayor Mark Warba, Manager Steve Sobers and City Treasurer Julie Tetsworth.

Mr. Sobers presented these points of discussion;

Analysis reports

Re-writing the agreement

Document reflects language of what the User charge is and can follow and tie everything to account codes of the city and where it came from.

Suggesting we can do a readable representation of the agreement between us

Are for the most part within one issue of what the document says

Can work for a better Contract agreement document later after this User charge rate document is completed

Per B. Baldwin, supervisor, the township attorney suggests for now to stay currently with the 1995 Contract. It could be modified later to make issues clear, the 1995 Agreement is still about 90% accurate except for administrative costs, depreciation costs, and collection system costs. In the User charge formulas need work to be equitable and fair to the townships and the city rate payers.

Per S. Sobers, city manager, with the construction beginning, must move to get by the frozen rate and resolve the waste water system issues, or it could be a financial disaster.

**PLANT VIOLATIONS**

B. Baldwin asked that the townships to be notified each time the DEQ issues a violation on the wastewater plant, finding the violations began in 2003. Will the costs and fines directly affect the townships?

City reported Monday April 6, 2009 they will go to Lansing to meet with the DEQ on the violations. Explaining, 2 are legitimate violations and 12 are not. Mr. Sobers was estimating the fines could be in excess of \$25,000. Their attorney may suggest let DEQ file court case on the minor issues to reach the negotiating point. The city explained plant is under construction and they are to move ahead with renovations.

Questions asked;

Peek - what if it did go to litigation?

Mayor Mark Warba discussed the following issues;

1. Townships will be given reports of the sewer plants violations notices and are welcome to attend the meeting in Lansing with the DEQ. Also indicated most of the issued violations are defensible.
2. Discussed meeting of 3-12-2009 with the township supervisors, which was productive meeting, giving credit to Supervisor Bob Baldwin
3. Agreeing the townships need more continued communication.
4. The 1995 Agreement is full of technical, and finance legalese and would like to see it re-written and that all can be negotiated.
5. Re-writing may possible be 1 year out.
6. Get the User charge numbers done now because is almost three years behind.
7. Accounting methods
8. Administration costs pro-ration
9. Depreciation
10. Complete 2009 User charge together by May 15, 2009 and implemented by August 1, 2009

City Treasurer Julie Tetsworth

Discussed that with the present document there is no way to track accounting information.

There is a need to update so one can understand the User charge document. They are trying to make it understandable and document back to the city's accounting.

Baldwin – Townships have a vested interest in the sewer plant and need to be unified with good explanations of violations. Suggested informing our State Representative Darwin Booher and Senator Michelle McMannis and inviting them or staff to attend the meeting with the DEQ.

#### Items of discussion

1. Supervisor B. Baldwin should continue with template for use with the 1995 agreement.
2. City work on rewriting the replacement fund.
3. Bond money and replacement cost.
4. Should depreciation be used as a “budget expense” or is it built in with the replacement account?
5. Current depreciation list needs to be updated, some items are fully depreciated, township needs a copy of list.
6. Townships need to know where the system replacement dollars are and what are being used for.
7. Debt retirement account?
8. Need to negotiate with townships up front and not in the newspaper.
9. Analysis is a complicated document
10. Is it appropriate to put use for next year data basis on current year's structures?
11. Eastside/ Westside collection system suggested linear feet of piping pro-rated
12. Cost sharing of replacement if needed in collection system
13. Will negotiate collection system for best equitable way of charging for all
14. Green concurs to stay with the 1995 agreement until fixed, need to cleanup and clarify.
15. Customers need to know where the rates are going to be.
16. IPP needs to be understood and before addressing the Library funding issues.
17. IPP costs should be born by non domestic customers?
18. Tracking of industrial waste problem customers
19. Merits to work out in near future the User charge and work on the 1995 agreement update later.
20. The supervisors, City Mayor and manager can work on the User charge differences and bring to the boards.
21. All need to agree on the User charge Agreement.

Township meets on the 14<sup>th</sup> of April and will send an official letter on the Library penal fines.

S. Sobers discussed the following

The city has already incurred \$700,000 in engineering costs. City has to generate the User charge system exact from the 1995 contract document to implement result of this analysis and need to start billing based on the 1995 because of the bonding for the treatment plant.

Indicated not open any part of the 1995 Agreement at this point.

B. Baldwin concurs, by August 1<sup>st</sup> and should use audited numbers if amended.

All three units should agree and act under the current contract.

M. Warba's opinion is the 1995 is a poorly written document and needs to be re-written, addressing administrative costs, collection costs (linear feet), IPP, and double accounting.

Wanting to within the next three months resolve these issues and put together a document for the reality of today. Explaining the document needs to be black & white for the customers.

He also mentioned he will respond to the editorial concerning attorney fees incurred by the townships. Mr. Warba indicated the townships can work together and has a lot of respect for the township supervisors.

J. Peek suggested we need to get the User charge rates up to date and in place now when the document is completed and later when the bonding and rates are completed adjust the rates then also. He also mentioned the memo to Green Township customers was very good to inform them of the issues as things are happening.

S. Sobers indicated officially is a proponent to 1995 Agreement as the mechanism to get things in place for the bonding.

Also suggesting possibly a group effort to expanding on 19 Mile. Plant staff is suggesting an additional staff person at the treatment plant, which may come into discussion.

**Conclusion:**

Official letter to City of User charge updated by April 14, 2009

Administration costs

Depreciation

Replacement costs

April 13, 2009 the City will be going to Lansing to meet with the DEQ responding to the treatment plant violation citations and invited townships to attend.

Notify State Representative and Senator of this hearing.

User charge should be finished by August 1, 2009

11:50 AM G. Todd moved supported by N. Stephan to adjourn.

Janet Clark, Clerk