



Special City Council Meeting

6/27/2022 - Minutes

1. Call To Order

Mayor Pro-Tem Fabbro called the special meeting to order at 7:02pm.

2. Pledge Of Allegiance/Invocation

3. Roll Call

Members present: Mayor Pro-Tem Fabbro; Councilor McTaggart; Councilor Armstrong; and Councilor Mecham.

Mayor Damm arrived at 7:03pm.

4. Approval/Adjustment To The Agenda

Motion by Armstrong; Second by McTaggart to approve the Agenda as presented. Motion carried.

5. Public Comment

There was no Public Comments.

6. New Business

6.I. Public Hearing For Consideration Of Drinking Water State Revolving Fund Project Plan

Mayor Damm opened the Public Hearing at 7:03pm

6.I.i. Presentation

As part of the Public Hearing, Geric Rose of Fleis & Vandenbrink (F&V) gave a presentation to present the Drinking Water State Revolving Fund (DWSRF) Project Plan. The following will be the highlights of the presentation.

- Michigan's Drinking Water State Revolving Fund (DWSRF) program is designed to assist water suppliers in satisfying the requirements of the Safe Drinking Water Act by offering low-interest loans for planning, engineering, and construction
- To apply, the City must: Submit a Project Plan; Hold a Public Hearing and Pass a resolution adopting the Project Plan by July 1, 2022.
- City's Current Water System has 3 production wells, 1 backup well; 1 ground level storage tank (currently inactive); 1 elevated water storage tank and 22.3 miles of water main

(4" to 12" diameter).

- Current Water System Needs as determined by a Water Reliability Study included: Replacement and upsizing of approximately 3,850 feet of 4", 6", and 10" water main; Water main looping; 2 New Production Wells (aging wells to be utilized as backup); Abandon Well #7; Fixed based meter reading system and new residential meters.
- Alternatives Considered: No Action; Optimum Performance of Existing System; Regional Alternative; or New Construction or Replacement of Existing Facilities. The No Action, Optimum Performance, and Regional Alternative does not meet the project objectives and needs. Only new construction or replacement of existing facilities will be further evaluated as a principal alternative.
- Principal Alternatives - Water Main Replacement - Based on past projects the City has realized cost savings with PVC. To maintain consistency in the City's water distribution system, the use of ductile iron for water main replacement will not be further evaluated.
- Water Main Replacement - Installation Method - Alternative 1 –Majority Open Cut Installation (Cost \$1,331,000) or Alternative 2 –Majority Trenchless Installation (Cost \$1,597,000)
- Water Main Looping - Alternative 1 –Open Cut Installation (Cost \$461,000) or Alternative 2 –Trenchless Installation (Cost \$552,000)
- Water Supply - Alternative 1 –Iron Removal Plant to Well #7 & Iron Sequestration to others (Cost \$3,550,000) or Alternative 2 –Drill 2 New Wells | Add Iron Sequestration to all Wells | Abandon Well #7 (Cost \$1,400,000)
- Meter Reading System - Alternative 1 –No Action (No Cost) or Alternative 2 –Fixed Based Reading System and Meters for Residential Customers (Cost \$687,960)

Recommended Alternatives

1. Water Main Replacement Alternative 1 –Majority Open Cut Installation with Capital Cost of \$1,331,000
2. Water Main Looping - Alternative 1 –Majority Open Cut Installation with Capital Cost of \$461,000
3. Water Supply - Alternative 2 –Drill 2 New Wells & Iron Sequestration; Abandon Well #7 with Capital Cost of \$1,400,000
4. Meter Reading System - Alternative 2 –Fixed Based Reading System and Meters for Residential Customers with Capital Cost of \$687,960

Project Financing & User Costs

Total Estimated Project Cost of \$3,905,000 includes:

- Construction
- Easement Acquisition
- Project Plan Preparation
- Design and Construction Engineering
- Administration, Legal, and Financial Services

User Costs:

- 30-year loan for evaluating potential user costs to fund the improvements presented in this Project Plan
- Without considering any Principal Forgiveness and using a basic amortization schedule, this translates to approximately \$177,369 annual payment
- Dividing this amount amongst the 906 customers equates to an increase of approximately \$200 annually per customer (does not consider residential equivalent units)

6.1.ii. Public Hearing Continued

Public Comment:

June 22, 2022 via email to City Manager from Mike Damm, Mayor

With the City considering a 30-year loan, we should be thinking about rolling in some additional items that are identified as needing attention sooner than later, such as...

- Replace undersized 4" water main
- Replace asbestos cement (AC) and cast iron pipe that are beyond their expected service life
- Replace the wood main if it indeed exists

Public Comment Response:

Replacement of undersized 4" water main that is lacking capacity is considered a higher priority and has been further evaluated for consideration of inclusion in the final Project Plan as additional water main replacement

Current Project Cost Summary - \$3,905,000

Alternate Project Cost Summary - \$8,910,000

Mayor Damm closed the Public Hearing at 7:33pm.

6.II. Consideration Of Resolution #2022-10A And Resolution #2022-10B

Resolution #2022-10A - Resolution Adopting a Final Project Plan for Water System Improvements and Designating an Authorized Project Representative.

Resolution #2022-10B - Resolution Adopting a Final Project Plan for Water System Improvements and Designating an Authorized Project Representative. (Public Comment considered)

There was discussion by all council members as to the direction the City should proceed. City Manager Niedzinski and F&V Representative, Geric Rose, stated that the City would be able to scale back any projects that exceeded any financial limits that the Council would determine to be excessive and not fiscally responsible.

Motion by Fabbro; second by Mecham to approve Resolution #2022-10B - Resolution Adopting a Final Project Plan for Water System Improvements and Designating an Authorized Project Representative. (Public Comment considered) as presented. Motion carried.

7. Council Discussion, Direction To City Manager & Future Agenda Items

Next Regular City Council Meeting is TUESDAY, July 5, 2022 at 7pm.

8. Public Comment

There was no Public Comments.

9. City Manager Announcements & Statements

There were no updates provided.

10. Adjourn

Motion by Fabbro; second by Mecham to adjourn the Special Meeting at 7:38pm Motion carried.