AGENDA

CHARTER TOWNSHIP OF BRIGHTON **MARCH 3, 2016**
BOARD OF TRUSTEES **SPECIAL MEETING**
CELEBRATION CENTER (ALTERNATE LOCATION) **7:00 P.M.**
CORNERSTONE EVANGELICAL PRESBYTERIAN CHURCH **(810) 229.0560**
9455 HILTON ROAD
BRIGHTON, MI 48114

A. CALL TO ORDER
B. PLEDGE OF ALLEGIANCE
C. ROLL CALL
D. APPROVAL OF AGENDA

E. BUSINESS

1. PRESENTATION – Response to Recent Questions Related to the Sanitary Sewer System
2. Q & A
3. WRAP UP

F. CALL TO THE PUBLIC
G. ADJOURNMENT

Board Packets are available on our website: www.brightontwp.com. The Charter Township of Brighton will provide necessary reasonable auxiliary aids and services such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting to individuals with disabilities at the meeting. Individuals should contact the Charter Township of Brighton by writing or contacting: Township Manager, 4363 Buno Road, Brighton, Michigan 48114. Telephone: (810) 229.0550.

PROPOSED AGENDA

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MEMORANDUM

TO: BRIGHTON TOWNSHIP RESIDENTS
FROM: ANN M. BOLLIN, CLERK
SUBJECT: BOARD OF TRUSTEES ELECTRONIC BOARD PACKETS
DATE: JANUARY 26, 2015

Board packets for the Brighton Township Board of Trustees meetings posted to the website contain scanned original documents. These electronic packets are subject to change based on meeting material presented to the Board throughout the course of the meeting. For a complete original packet following the Board meeting contact the Clerk's Office at 810-229-0560 or via email: clerk@brightontwp.com

1997

AUGUST -	– BTBT discussions regarding WWTP towards sewer around Woodland Lake
	- BTBT creates Sewer Review Committee
	– BTBT takes steps toward SAD to study sewer cost
SEPTEMBER	- Numerous districts proceed through SAD approval process to fund Sewer Study (September through December)
	-Brighton Township issued DEQ discharge permit into Woodruff Creek
NOVEMBER	- Sewer Review Committee Members Appointed
DECEMBER	- BTBT enters into engineering services contract with MPS for sewer analysis

1998

JANUARY	-First meeting between MPS and the Sewer Review Committee
APRIL	- BTBT resolution to use GF $ toward engineering costs but reimburse via bonds
JULY	-Preliminary Design Phase 1 - Completed
AUGUST	-Preliminary Design Phase 1 - Presented to BTBT
NOVEMBER	-BTBT begins meeting to discuss property acquisition for a WWTP facility
DECEMBER	-Preliminary Design Phase 2 – Completed

1999

FEBRUARY	- Preliminary Design Phase 2 - Presented to BTBT – Accepted by BTBT
	-BTBT Accepted committee's recommendation (project size / scope etc.)
	- Township Distributes FAQ brochure & Announces Informational Presentation (3/9/99)
	- BTBT approves appraisal to be performed on WWTP site
MARCH	- Informational Presentation (2 presentations at Hilton School on same day)
MAY	- Citizen Petition Deadline
JUNE	- Public Hearing Scheduled – Public Comments / No formal action
	-Alternative scenarios vetted between 2100 and 2500 REU facility
JULY	- BTBT seeks extension of the DEQ surface water permit to August 2003
AUGUST	- Sewer Committee recommends Option #4 (project size / scope etc.)
	- BTBT Resolutions of intent to proceed with Drain Project and set PH date
SEPTEMBER	-Public Hearings on the proposed sewer project for each district separately
OCTOBER	- BTBT Resolutions of intent to proceed with Drain Project and set PH date
	-Public Hearings on the proposed sewer project for (additional districts)
	-MPS submits proposal for Final Design services
NOVEMBER	- BTBT Resolutions of intent to proceed with Drain Project and set PH date
	-Public Hearings on the proposed sewer project for (additional districts)
DECEMBER	-Public Hearings on the proposed sewer project for (additional districts)
	-BTBT resolution to proceed with project and file petition with Drain Commissioner

2000

March	-BTBT approves purchase of WWTP property
	-First meeting of the Sewer District Board
APRIL	- Drain Commissioner at BTBT meeting details how his office will proceed with project
	-BTBT directs committee to continue working on sewer policies
MAY	-BTBT adopts sewer policies
	-Sewer District Board Public Hearing – Apportionment of Costs -100% to Brighton Twp.
	-Construction project out for Bid
JUNE	-Construction Bids due at Drain Commissioner office
JULY	-Livingston County resolution granting Full Faith and Credit for the project
	-BTBT sets date of Public Hearing on Special Assessment Roll, mailings and publishing's
	-Notice to vacant property owners about combining lots to avoid additional REU's
AUGUST	-BTBT Adoption of SAD Roll
SEPTEMBER	-BTBT into closed session regarding WWTP property acquisition
	-Sewer District Board adopts Bond Authorizing Resolution
	-BTBT approved contract with Drain Board
	-DEQ approves permit for .65 MGD
OCTOBER	-Sale of Bonds
	-Awarding Resolution for Bonds
	-BTBT approves additional Sewer policies which Committee had worked on
	-Pre-Construction meeting
NOVEMBER	-Lease for WWTP between BT and Drain Board
	-Construction agreements signed
	-Notice to Proceed issued (420 – 630 days of construction)
	-Adopt project lease agreement with Drain Commissioner
	-Adopt Sewer Request Policy / Sewer Connection Policy / Deferral Policy

2001

JANUARY	-BTBT closed session regarding property acquisition for sewer project
	-BTBT resolutions regarding the taking of easements in real property
FEBRUARY	-Sewer Committee Report to BTBT (Deferrals and lot combinations)

MARCH	-BTBT requests financial status of sewer project each month
MAY	-assigned MPS contract to Drainage District
	-Sewer Use Ordinance is being worked on
JUNE	-BTBT closed session regarding property acquisition and sewer easements

2002

MARCH	-Sewer Ordinance First Reading
	-BTBT closed session regarding property acquisition and sewer easements
APRIL	-Sewer Ordinance Second Reading – APPROVED
SPRING	-Anticipated system start up
MAY	-Sewer Ordinance (Amended) First Reading
	-Quarterly Sewer Rates Approved
JUNE	-Sewer Ordinance (Amended) Second Reading
AUGUST	-Resolution regarding Spencer Road sewer SAD
	-Amendment to assessment deferrals resolution BT adopts the US poverty thresholds
	-Public Hearing Spencer Road sewer SAD – adopted resolution
OCTOBER	-BTBT Resolution to File Petition for Spencer Road SAD with Drain Commissioner

2003

APRIL	-Financial Status of Sewer System (Re-evaluation of projected future hook-ups and Fees)
MAY	-Sewer Tap Fees (Tabled)
JUNE	-Discussion of Financial Status of Sewer Fund
	-Amend Policies and increase sewer fee amounts
	-Schedule Public Hearing regarding Sewer Fees for July
	-Sewer Committee met to discuss sewer rate increases
JULY	-Public Hearing regarding sewer quarterly fees (Tabled) until after Public Info Meeting
	-Scheduled Special Sewer info meeting for August
AUGUST	-BTBT Financial Status Discussion – Bad future growth projections
	-Action Plan developed / Adopted
	-Utility Master Plan –authorization to solicit letters of Interest
	-PHP submits proposal to provide quarterly financial analysis
SEPTEMBER	- Sewer rate study by PHP
	-BTBT tables action on study
OCTOBER	-Sewer Rate Study (revised) presented by PHP
	-BTBT adopts quarterly user fee resolution
NOVEMBER	-BTBT sets goal to gain new REU's
	-Sewer Fund Status – BTBT accepts action plan report
	-Loan From general fund to Sewer Fund with interest rate set
DECEMBER	-Sewer Fund Status – Accepted report
	-Quarterly Financial Report from PHP
	-Award contract to Ayers Lewis for Utilities Master Plan

2004

JANUARY	-Sewer Fund Action Plan Report
	-Quarterly Financial Report PHP
FEBRUARY	-WWTP operation report IAI
	-Sewer Fund Action Plan
	-Spencer Sewer SAD – approving project / directing SAD roll
MARCH	-Sewer fund action plan
	-GF loan to Sewer OM of $100,000 at 2%
	-Spencer Sewer Public Hearing – confirming Assessment Roll
APRIL	- sewer fund action plan status report
	-Tax roll correction Spencer sewer SAD
MAY	- sewer fund action plan status report
	-Accept sewer infrastructure – various locations
JUNE	- sewer fund action plan status report
JULY	-Quarterly sewer financial report PHP
	-BTBT approved Stone Valley Development – requires future connection
AUGUST	-Sewer Fund Action Plan Report
	-Quarterly Financial Report PHP
SEPTEMBER	-Sewer Utility Master Plan Open House – Sewer Master Plan Presented
OCTOBER	- Sewer Fund Action Plan Report
	-Sewer Policy Update
	-Spencer SAD tax roll change
	-Summary of Actions taken to improve the financial health of sewer system
NOVEMBER	- Sewer Fund Action Plan Report

2005

FEBRUARY	-Bond Refinancing – Notify Drain Commissioner of potential to refinance

BTBT 3-3-16 Call to the Public

Original User-Group in Brighton Township Sanitary Sewer System
Payment against Final Assessment Levied and Recorded as Part of County Bond Filing Requirement

Year	Quarterly Sewer Billings Total	O&M	Capital	Running Total of Payments versus $12,400* Final 08/14/00 Assessment	Sewer SAD in Winter Tax Billings Principal	Interest
2000	-	-	-	$ 620.00	$620.00	$129.95
2001	-	-	-	1240.00	620.00	740.73
2002	$24.00	$20.00	$ 4.00	1864.00	620.00	701.74
2003	72.00	60.00	12.00	2496.00	620.00	662.76
	72.00	60.00	12.00	2508.00		
	72.00	60.00	12.00	2520.00		
	72.00	60.00	12.00	2532.00		
2004	97.42	69.42	28.00	3180.00	620.00	623.77
	110.12	74.12	36.00	3216.00		
	110.12	74.12	36.00	3252.00		
	110.12	74.12	36.00	3288.00		
2005	110.12	74.12	36.00	3944.00	620.00	584.78
	110.12	74.12	36.00	3980.00		
	111.75	75.75	36.00	4016.00		
	115.00	79.00	36.00	4052.00		
2006	115.00	79.00	36.00	4708.00	620.00	523.40
	115.00	79.00	36.00	4744.00		
	115.00	79.00	36.00	4780.00		
	115.60	79.00	36.00	4816.00		
2007	115.00	79.00	36.00	5472.00	620.00	486.02
	115.00	79.00	36.00	5508.00		
	118.50	79.00	39.50	5547.50		
	118.50	79.00	39.50	5587.00		
2008	118.50	79.00	39.50	6246.50	620.00	448.63
	118.50	79.00	39.50	6286.00		
	121.50	81.00	40.50	6326.50		
	121.50	81.00	40.50	6367.00		
2009	121.50	81.00	40.50	7027.50	620.00	411.25
	121.50	81.00	40.50	7068.00		
	121.50	81.00	40.50	7108.50		
	132.50	82.00	50.50	7159.00		
2010	132.50	82.00	50.50	7829.50	620.00	373.86
	132.50	82.00	50.50	7880.00		
	148.50	88.00	60.50	7940.50		
	148.50	88.00	60.50	8001.00		
Page total		$2471.77	$1181.00		$6820.00	$5686.89

Year	Quarterly Sewer Billings Total	O&M	**Capital**	**Running Total of Payments versus $12,400* Final 08/14/00 Assessment**	Sewer SAD in Winter Tax Billings **Principal**	Interest
2011	148.50	88.00	60.50	8681.50	620.00	336.47
	148.50	88.00	60.50	8742.00		
	160.50	90.00	70.50	8812.50		
	160.50	90.00	70.50	8883.00		
2012	160.50	90.00	70.50	9573.50	620.00	299.09
	160.50	90.00	70.50	9644.00		
	167.16	90.00	77.16	9721.16		
	170.50	90.00	80.50	9801.66		
2013	170.50	90.00	80.50	10,502.16	620.00	261.70
	170.50	90.00	80.50	10,582.66		
	170.50	90.00	80.50	10,663.16		
	170.50	90.00	80.50	10,743.66		
2014	170.50	90.00	80.50	11,444.16	620.00	224.32
	170.50	90.00	80.50	11,524.66		
	170.50	90.00	80.50	11,605.16		
	176.00	95.50	80.50	11,685.66		
2015	176.00	95.50	80.50	11,766.16		
	176.00	95.50	80.50	11,846.66		
	176.00	95.50	80.50	11,927.16		
				12,547.16	***620.00***	***184.93***
	176.00	***95.50***	***80.50***	***12,627.66***		
Page total	***$1,823.50***	***$1,526.66***			***$3,100.00***	***$1,306.51***
TOTAL TOTAL	$4,295.27	$2,707.66			$9,920.00	$6,993.40

Purpose of this data:

- * Original user group people on Woodland Lake, Woodland Estates #4, West Grand River, East Grand River, and Fonda Lake were assessed $12,400 per REU in the final paperwork sent to the County for bond filing requirements; they have been paying this amount over time through a combination of a Winter Tax line item Special Assessment (592) and the Capital/Debt Service portion of the Quarterly sewer billing. From these numbers above it will be seen that, they will have reached payout of $12,400 when/after they pay their 2015 Winter Tax.
- Other people have paid their entire $12,400 up front or remaining portion sometime during this 15 year collection history; Winter Tax billings would/should have stopped at that point; Quarterly Capital/Debt Service charges should have stopped as well.
- Further collection of Quarterly Cap/DebtSvc charges is unwarranted and collection itself is possibly illegal.

NOTES:

- **Running total of payments**, against the $12,400 assessment, combine Capital charges from Quarterly payments with Principal payments in Winter Tax billings.
- The first O&M/Capital charge was levied in November 2002.
- Numbers in regular font face = billings already paid.
- Numbers in bold italics = 2015 Winter Tax sewer SAD billing received but possibly not yet paid
  2015 4th quarter billing, again received but possibly not yet paid
- Data about single REU payment history was provided by Twp. Treasurer's Office. Received were:
  - Payment history for Winter Tax sewer 592 billings 2000 through 2014 & recent 2015 billing
  - Account history report from 2000 through 2015 for O&M and Capital/Debt Service charges

BTBT 3-3-16 Call to the Public

Brighton Township's Sanitary Sewer System

Based on an understanding thru obtainable records
Written to give perspective to a complex issue
This is a continually unfolding historical account; this is NOT a legal brief

BACKGROUND

Brighton Township's quest for sanitary sewers has not been limited to the system we now have. It dates back to the early 1970s when the Township commissioned Ann Arbor-based McNamee, Porter & Seeley (M P & S) to do a feasibility study for installing a sanitary sewer along the West Grand River corridor ... and in this study "a site for wastewater treatment was identified on Hilton Road, bordering on I-96." In 1975, the Township purchased this site on Hilton Road from Clarence and Ernestine Taylor for $75,000 "for the purpose of developing a wastewater treatment plant." The signed contract of sale was recorded a year later – however, no sewer project was started during this period.

In 1981, with possible funding available through the EPA for construction of a wastewater treatment plant (WWTP), the Township tried again. But the M P & S study (which explored options for an expanded system including the Woodland Lake area, Country Club Annex and Fonda/Island/Briggs Lakes) recommended tie-in with the City of Brighton's system, not a stand-alone Township system. A public hearing for a Township system met with public opposition, citing high costs and no proof of failing septics. The project was not pursued.

In 1990, Livingston County initiated a study of Public Wastewater Disposal Systems "to improve environmental health in areas of existing development" and "to open additional land areas for intensive land use" – "providing for wastewater disposal in an environmentally sound manner." Local developers must have been elated. In the 1991-1992 period, the Livingston County Health Department published a report about the failing septic systems around lakes and mentioned support of sanitary sewers around lakes ... Woodland Lake noted.

The Organization of Woodland Lake (OWL) board was concerned and asked the Township for additional information. The Township established a Sewer Study Committee (not to be confused with the later-established Sewer Review Committee, now renamed the Utilities Committee) to work with M P & S to determine the feasibility of a sanitary sewer system for Woodland Lake's riparian homes and commercial properties along the east side of West Grand River. The treatment plant was to have been on the Hilton Road property purchased by the Township from the Taylors in 1975. Only one OWL board member was allowed to join and participate on this Sewer Study Committee.

The M P & S study was presented to the OWL board in 1993 during a meeting open to Questions from the floor and Answers from M P & S representatives. In late 1993, the study's 32-page official report was presented to the Township. It discussed sewering Woodland Lake and adjacent areas. Alternatives and cost estimates for the treatment plant were also included; alternatives included tie-in with the City of Brighton's system, tie-in to the Lake Edgewood Wastewater Treatment Plant and an expanded Brighton Township system (to include areas adjacent to Woodland Lake) with the WWTP to be built on the Township's Hilton Road property. Again, no positive action was undertaken by the Township.

As a result of the Township's apparent disinterest and inaction, in 1994 OWL requested and was accorded a meeting(s) with Brighton City Manager Dana Foster to discuss tying-in Woodland Lake riparian houses to the existing Brighton City sewer system. Foster was very receptive (to the proposal of a collection system around the lake with a feed line going under I-96 to connect with the then-underutilized Brighton City system); but Foster said Brighton Township would have to first consent before proceeding any further. The Township did not consent! It was adamant,

fearing that if the City provided such a service, Woodland Lake and its riparian properties might be annexed by the City.

But this meeting(s) did catalyze/force the Township to take action. Again it called on M P & S to present an updated plan (now for sewer and water to be paid for via an SAD) for Woodland Lake riparian properties and the commercial properties on West Grand River. The plan was presented in a special meeting in August 1995.

From 1995 to 1998 (a period during which records are scant), much discussion and planning must have taken place at the Township and County administrative levels and with respective advisors, business interest proponents and political supporters. A larger system was envisioned.

Michigan Public Improvement Act 188 (PA 188) and Michigan Act 40 - The Drain Code of 1956

By 1998 sewers for Brighton Township seemed like a foregone conclusion. The Township established a formal Sewer Review Committee (now the Utilities Committee). Petitions to garner support under PA 188 were suggested for interested Township areas, notably Township lakes.

So in 1999 petitions were circulated (under PA 188) in five anticipated initial sub-districts – each a lake area, to gain support for construction of a sewer system and WWTP – petitions saying the project would go forward under Public Act 188 and would contain a spending cap (in three of these initial areas, $12,150 with possible 15% overage for unforeseen expenses). If expenses were to exceed this spending cap, signed petitions supporting the sewers would be null and void. The Township held meetings to answer citizen questions, and the Sewer Review Committee published newsletters/fliers also answering questions, among which were:

- The WWTP to be built was to be of modular construction: built to accommodate needs of initial users and expandable as future users were brought into the system.
- Future users would pay more than the initial users – so support the sewer project by voting your neighborhood in now and avoid higher prices if your neighborhood waits to sign up in future years.
- Additional users would be hooked-up, further assuring solvency. These were homes and businesses within 200 feet of transmission lines (Michigan state-law requirement).

The originally proposed, smaller system was to be paid for by the user group. But this petition-driven user group agreed to pay only if a spending cap was honored.

Opposition to sewers was intense, especially about cost and funding, but petitioner signatures gathered by the 05/14/99 deadline prevailed in Woodland Lake, Fonda Lake and School Lake. Sewers under Public Act 188 looked assured but only for a very small system; two possible sub-districts included in the original estimate of users did not receive sufficient support and dropped out (Lake-of-the-Pines and Clark Lake). This was serious. The project should have been cancelled at this point, but the Township officials would not be denied.

However, in 1998 the firms Stauder Barch and Dykema & Gosset were arranging/finalizing funding plans for municipal bonds for the Brighton Township Sanitary Sewer System to be sold through the Livingston County Drain Commission ... perhaps the Township did not have sufficient financial standing to guarantee/underwrite the bonds. PA 188 would therefore, in fact, be abandoned; PA 188 would be used only in an advisory capacity to project interest and to "sell" a sanitary sewer system; Brighton Township's sewers would now come under PA 40, the Drain Code. And the credit of the County would clearly support bond funding.

Size and Location of the WWTP

The proposed location of the Township WWTP changed over the years as the scope of possible potential users was expanded. The original site for a small Woodland Lake riparian-only system on Hilton Road morphed progressively in size into 1.) an expanded WWTP site there for adjacent areas (i.e. Clark Lake and the commercial sides of West Grand River); later 2.) to a 51.9 acre tract of land the Township purchased from John and Genevieve O'Hara and family on March 3, 1995 for $466,400 near the intersection of Hyne and Hacker Roads (behind the Lutheran Church); still later 3.) to the Township property behind the fire department station on OLD US 23 near Hyne Road (thought to be most central for a system and one that could be expanded in the future); and 4.) finally, to the current site near Pleasant Valley Road and East Grand River (the least central location), on land purchased from Pleasant Valley Partners for $1,012,000 on 12/08/00 (see more on this below).

An August 3, 1999 memo from McNamee, Porter & Seeley to the Brighton Township board said the WWTP size (which location?) would be 2100 REUs, enough for original users from the five initially planned sub-districts and for 883 REUs for future users. If additional sub-districts were added, capacity for yet another 825 REUs would be added. Ultimately, a "Ten States Standards" was said to be used which provided for 2500 REUs (per Brian Vick, Township Manager, in the January 2016 Utilities Committee meeting). This standard uses a flow-thru rate per REU that far exceeds the average annual REU flow-thru usage rate of the Brighton Township sewer system.

These numbers are mute points. Brighton Township's WWTP was actually built to process 4000 plus REUs or 650,000 gallons of flow-thru per day (based on the actual per-day average flow-thru) – far exceeding the needs of the initial and added users and even exceeding the Ten States Standard. And still today, the WWTP is using only 41-45% of its design capacity, 15 years after completion.

At minimum, the treatment plant size should have been scaled down; remember, this was to have been a modular design, so increase in size to 4000 REU capacity could have been accomplished later, when the REU base supported the additional capacity. Further, the bond issuers should have been cautioned that funding could be a problem, especially for the size of the planned and completed treatment plant (650,000 gal/per/day or 4000 REUs – continuously and still erroneously reported size is 2500 REUs or 350,000 g/p/d).

Who's In and Who's Out?

For commencement of work on the larger system toward which much initial advanced work had been done (system design, contractor identification, bidding process, bond funding), the Township needed more users. So it designated additional sub-districts to be included (The Dominion properties, Woodland Estates #4, West Grand River, East Grand River, and Transmission Line properties) – residents of these sub-districts would have to garner 20% of dissident signatures on a voter initiated petition to exclude their sub-district; such exclusion did not materialize.

So with the petition-initiated (PA 188 now relegated by the Township/County to advisory status) and Township-driven districts participating, the Drain Code system would start with either 1756 or 1869 Residential Equivalent Units (REUs) to fund the project (depends on which document source is referenced). But further drop-outs occurred ... so many that by 03/31/03 only 1347 REUs were paying for the system (per the Township report titled "sewer rates & REUs" issued

Quarterly). Why were properties/400 REUs allowed to drop out? Which ones? Freedom of Information Act (FOIA) requests for post-08/14/00 and recent assessment rolls which would provide such additional information have not been met.

These drop-outs and erroneous estimates about future Township growth would present a funding issue under Public Act 188 petitions that had a spending ceiling and would have required the Township to underwrite the bonds. BUT someone(s) in the Township and/or County had already anticipated or at least covered the possibility of underfunding by pursuing bonds via the Livingston County Drain Commission (1998 – see above). By abandoning the project under Public Act 188 and moving forward as a County Drain Code project*, spending caps would no longer be a prohibitive issue; the sewer became an issue of public health**; the project could go ahead.

And the County would underwrite the project. On July 17, 2000 the County Commissioners gave approval to proceed with sale of these bonds with County guarantee of backing (resolution # 700-201). The $27.8 Million*** Sewer Bond sales commenced on October 4, 2000.

Brighton Township Project Schedule Update (dated July 30, 1999)
(These dates may have further slipped or been advanced)

Final Design Authorization	September 20, 1999
MDEQ construction permit	March 6, 2000
Construction documents to bidders	March 20, 2000
Construction bids received	April 20, 2000
Bond sale (see above sale date of 10/04/00)	July 17-August 2, 2000
Start construction	August 21, 2000
Start system operation	October 2001

THE PROBLEMS

Livingston County in the early 2000s was growing. A 2010 Bloomberg article said Livingston County "was Michigan's fastest growing county from 2000 to 2009 ...." Township officials continued to predict residential and commercial growth and touted the sewer system as a proud magnet for this growth. At long last, the Township had sewers! Initial sewer users would have their expense burden reduced by the rush of future users – or so the (il)logic went. But even after seven plus years of operation (before the 2008 recession), new RUEs were few.

In addition, the Township officials made several decisions which increased the burden to the initial user group. They allowed early payoff of the capital cost which exempted those users from paying interest on the debt. They offered reduced REU "deals" to potential users as an incentive to hook up. They allowed a one REU assessment for some multiple unit hook-ups that provided their own collection system. And they failed to enforce Michigan's 200-foot hook-up law.

Adding to the funding issue was a late change in the location of the wastewater treatment plant – to the present site near Pleasant Valley Road and East Grand River (address being 5901 Pleasant Valley Road). The Township purchased this site from Pleasant Valley Partners (a Michigan General Partnership) on 12/08/00 – 8.73 acres for $1,012,000. In return, with a $115,992 per acre value locked in, Pleasant Valley Partners "donated" 46.75 adjoining acres to the Township.

Cost concerns and underfunding have been voiced repeatedly in writing and orally in public Township meetings since the sewers were installed. The system and its treatment plant were "sold" to the public as a modular unit design, whereby the treatment plant would be built to be sized for the then-current user group and later expanded as additional users were added and demand for capacity was needed. However, from the beginning the treatment plant was built far

exceeding both users and demand; it is still approximately 55% over-capacity 15 years after its inception. NOTE: The WWTP has additional modular capacity - to treat up to 2,000,000 REUs (per a dedication wall plaque in the WWTP).

How Much to Charge

At the May 17, 2000 meeting of the Livingston County Drainage Board for the Brighton Township Sanitary Drainage District, the Chairman of this Drainage Board was "authorized and directed to prepare on behalf of the Drainage Board the Special Assessment Roll" for the Brighton Township Sanitary Sewer Drain Project. This roll was adopted on August 14, 2000.

The May 17, 2000 County Resolution, contained a "whereas clause" wherein M P & S advised "that the estimated cost of the Project is approximately $30 million." The sewer bond amount was for $27.8 million. [Note: the extremely high cost of this system compared to costs for other County sanitary sewer system projects (estimated up to three times more) is another serious and major point of contention.] The Drain Code provides for revision of the assessment roll if total assessments cannot cover the cost. Such a revision has not been presented by Township or County administrators. Likely, a revision was not made. The Township, then by default, is responsible for whatever shortfall is not collected via the assessment roll.

From a political point of view, if the maximum amount were to be collected from the original users (using the PA 188 caps plus 15%), Brighton Township and the County/Drain Commission had the opportunity to exceed the $12,150 spending cap by 15% that existed in several sub-districts petitions. That would have enabled an assessment charge of $13,972 per RUE in these sub-districts. But when the sub-district assessments were finalized and submitted under the Drain Code (more on this below) and sent to the bonding agencies, only $12,400 was assessed in many of these sub-districts. The County in consultation with the Township in drawing up the assessment roll had an opportunity to charge more to fund the system via the assessment, but declined to do so. This deliberate under-assessing is yet another and principal reason to require the Township to fund the shortfall from the tax-generated General Fund surplus (not via "loans" to the users and not from new user tie-in fees/connection charges which must remain in dedicated sewer accounts) and thus to relieve original users of any capital payment liability above the assessed amount.

The final Drainage Board assessment roll adopted August 14, 2000 provided for collection of $18,229,920 from 1029 properties generating 1756 REUs ... clearly less than the estimated $30 million cost and less than the $27.8 million bond. The property assessments were $12,400 per REU in some sub-districts and $12,664 in several others. In one, the Transmission Line sub-district, where a single property was assessed multiple REUs, the per REU assessments varied in ten different amounts from $6,932 to $9,559 and where a property was assessed only one REU, the assessment was $12,664 – and this is the same sub-district! In the Brighton Township minutes of the August 4, 2003 meeting, it is noted that the "original capital charge was less than necessary in order to get support for the original project ...." From its inception, then, it is suggested that the system was marketed with deception.

The Shortfall

The initial users had their assessment amount established; the balance befell the only other "player" ... the Township. How the $9.6 million (plus interest) shortfall (between the $18.2 million to be collected from users via the assessment and the $27.8 million bond obligation) is to be paid has been/is the primary point of contention between the original users and the Township. The

users contend that the Township/County, when determining the final assessment, knew that the shortfall had to be covered, eventually. Under the Drain Code, Brighton Township would be responsible for the unfunded difference. The Township took the risk that future users would come aboard to make up the shortfall – a gamble that did not pay off.

Realizing the shortfall, the Township initiated/introduced a new "capital" charge (now called "debt service" charge) starting with the fourth Quarter sewer billings of 2000 to help make up this shortfall. The legality of such a collection is still an issue ... the Drain Code does not make such a provision. As early as June 2003 the funding shortfall was $2 Million (per Township analysis – by Stauder Barch). But in a public meeting on 09/16/03 representatives from Pfeffer/Hanniford/Palka (Township accountants) stated the shortfall was $14 million ($9.6 the unassessed liability befalling the Township and the balance of the $14 million likely due to the 400 REUs allowed to drop out). In successive years this underfunding was said to vary from $1.2M to $8.0M, depending on which meeting you attended or whose numbers you were citing. Concerns about these shortfalls were brought to the Township's attention in writing and orally in meetings many, many times. A letter from Township Manager, Daniel Bishop, dated July 28, 2009 to a Woodland Lake resident states, "... the wastewater treatment deficit has reached a dangerously high level. This is not a rumor, but a fact."

Who Pays How Much

Payment for this sewer system is still being borne by only the user group, not by the Brighton Township taxpayers in general ... even though the decisions to build (without public authorization and under the Drain Code), to build an over-capacity system (though advertised as modular), failure to connect and collect from properties within 200 feet of the transmission lines (Michigan law), to allow drop-outs from the adopted assessment roll and failure to disclose funding shortfall to bond agencies were/are Brighton Township decisions. Brighton Township owes the balance not assessed the initial user group ($9.6 million plus interest).

As for the initial users, and the legality of the Quarterly capital charge issue withstanding, when the total amount collected through 12/31/15 billings in the Quarterly capital charges since 2000 is added to the assessment charges paid through the 2015 Winter tax billings, the initial users whose assessment was/is $12,400 will have overpaid this $12,400 by $227.66. Those assessed $12,664 will reach their assessed level once 2nd or 3rd Quarter 2016 bills are paid (assuming debt service charges continue at the current amount). Adding these two amounts together as quasi-legitimate payments against bond assessment to be paid is supported by the above-referenced Bishop letter wherein Bishop states, "The [Quarterly] Capital Charge is for specifically repaying the debt incurred to build the system ...."

And for years sewer users have been pointing out that the Township had/has control and remedy for this $9.6 million shortfall and had/has sufficient uncommitted funds available (see below) to pay this off ... calling for an admission that the sewer system is a total Township-wide infrastructure asset and thus a Township-wide funding liability/responsibility. NOTE: In the March 2013 Resolution #13-008, the Township did claim ownership (albeit erroneously, since the County, under which the bonds were issued, actually owns the system until the bonds are paid off), stating "Whereas: The Charter Township of Brighton (Township) owns and operates its own sanitary sewer system including the wastewater treatment plant; ...."

The Bond Repayment Scenario

Under the Drain Code, the County Drain Commission creates a Drainage District for the

municipality that 1.) wants a sewer system (sanitary or stormwater) and 2.) also wants the County to underwrite a bond amount necessary to build the system. In this case the Brighton Township Sanitary Sewer Drainage District was established – a public corporation, encompassing the whole of Brighton Township. The fiduciary and operational control of this Drainage District lies with the County Drain Commissioner and his staff. Bonds are issued to this public corporation (the properties within the Drainage District/within the whole Township) which in turn is to collect payments due on the bonds from the requesting Township, a municipal corporation (distinction being made for lawyers to factor in). The Township owes all the bond amount and has the opportunity collect all or part of these monies owed by establishing an assessment roll (grouped in/called sub-districts) for charging properties specifically benefiting from the sewer (original users) an appropriate amount (but within the limits of the Municipal Finance Act - see below in LAWS section). Any lesser amount not collected by the assessments is still owed by the Township as a whole which is payable from the General Fund or by any new general tax on all properties within the whole district, not just the original or new users.

Assessments collected by the Township are to be placed in a dedicated sewer fund account. When payments are due, Brighton Township pays the Brighton Township Sanitary Sewer Drainage District from 1.) this dedicated sewer fund and 2.) its General Fund. The Drainage District then pays off the bonding agents. Real "shortages" result when bond payments to investors are due from the Drainage District to which the bond was issued, and the combined collected assessments and Township funds are insufficient. In that case the County covers the shortfall and collects the shortage amount by taxing all properties within the whole sewer district for recovery.

In a different scenario, the Township may have the money to pay assessment shortfalls and to pay its share outright/"without protest", but doesn't want to deplete the General Fund. In layman's terms/understanding, the Township may pay from the General Fund (to preserve its credit rating with the County and the County's rating with the bonding agencies) but sets up an account to tally these "unfunded" payments (referring to its General Fund payment as "shortfall" and treating it as such on the books) and tries to collect this money back in some other ways. In this Brighton Township scenario, the Township has employed 1.) Quarterly capital charges to collect additional money, 2.) "loans" to sewer system users to pay shortfalls, tracking these "loan" amounts for future recovery and 3.) using new-users collections toward paying off the "shortfall" in its bond obligation. Note: Some Drain Code accounting opinion maintains that new user fees/connection charges/tie-ins are also to be kept separate and in a dedicated sewer account. These monies are not to be used to repay the bonds; new users are not on the assessment roll. Part of the Drain Commissioner's fiduciary duties is to oversee proper accounting and separation of funds.

Township Funding of Its Bond Obligation – Possible Remedies

In the most recent Brighton Township "Statement of Net Position" (March 2015), the "Total Net Position" is shown to be $36,656,084: $18,761,042 for "Governmental Activities" and $17,895,042 for "Business-type Activities." A proposed solution for the sewer finance "fiasco" is for the Township to honor the 08/14/00 assessment placed on the original users, collecting <u>only</u> the $18.2 million assessed, immediately funding the remaining $9.6 million (plus applicable interest) shortfall from this surplus/net in the Township coffers. And if legal after the bonds are paid off (and it may not be legal), to so appropriate under the Drain Code or whatever legislation governs after bonds are paid off, replenishing this $9.6 million over time from a portion of fees/taxes collected from future users (those that would fill the remaining 4000 REU WWTP capacity); remaining portion of to be placed into an account dedicated to the capital costs of an expanded system and replacement of ageing capital equipment (including grinder pumps). If not legal to replace the General Fund monies from a portion of new user fees/taxes, then keep all

sewer-related new-user fees in the capital account (as well may be demanded by the Drain Code or other applicable legislation) described in the prior sentence. Note: The Drain Code is said to govern, but other laws may also be pertinent.

As one other possible remedy, the Township could assess/tax each of the 8275 Township parcel owners (February 2011 parcel count) a one-time or two-time amount to pay the remaining bond off. So why is this not a remedy for the Township to cover its self-imposed $9.6 million (plus interest) deficiency? Huge interest costs would be avoided. NOTE: To cover its bond shortfalls, the County under the Drain Code " can levy ad valorum taxes [for deficient payments]against all taxable property within its limits ...." The Township may also be able to cover shortfalls by taxing all taxpayers within its jurisdiction, since the Brighton Sanitary Sewer Drainage District is defined as encompassing the whole of Brighton Township.

Instead, the Township has opted to fund shortfalls by "loaning" money from the Township's General Fund to the Sewer Fund to be able to pay off the bonds. These "loans" come with interest, and the "loans" plus the interest are charged back to the sewer user group. Shortfalls have not been reported to bonding agencies either, as required.

Ironically, the Township has borrowed money from the Sewer Debt Service Fund - to pay off building authority bonds for the Township Hall and Fire Station 32 (Bishop to Palmer letter of 02/16/11). Such diversion of monies from a dedicated fund, like the Sewer Fund, cannot be used for any other purpose (per County Drain authorities). But apparently, sewer monies have been co-mingled and used.

Additional Points of Concern

Hook-up/tie-in fees paid by new-users who came onto the system between 08/14/00 (the original user list of assessed properties) and now are another issue. Have these fees been directed into a dedicated sanitary sewer system capital account? Have they been used to pay back the bonds? Or have they been put into the Township's General Fund? The legality question here is how and for what these fees can be spent and if they have already been mis-spent or improperly accounted.

When the final assessment roll was adopted (08/14/00), 1756 REUs from 1029 properties were to generate $18.2 million toward the $27.8 million bond. By 03/31/03 only 1371 REUs were being reported as paying capital/debt service charges (recorded in the Township's "sewer rates & REUs" report dated 03/31/15) – no number of related properties reported. Jumping forward, 1420 properties were paying capital/debt service charges, a total of 2176 REUs reported as of 03/31/15. This report shows an increase of 805 REUs from 03/31/03 to 03/31/15 – a rosy picture of additional added REUs. But what about the dropped REUs from 08/14/00 thru 03/31/03? Shouldn't a more transparent comparative snapshot be between 08/14/00 and 03/31/15 wherein only 420 REUs were added (2176 minus 1756)? What report(s) is submitted periodically to the County Drain Commissioner and bond rating agencies to show pictures of "solvency"?

Laws

Have other laws been broken in this sewer story? Certainly scrapping this sewer system as a Public Act 188 project and proceeding as a Drain Code project was done to avoid an infraction of Michigan Compiled Laws, Section 41.735. But petitions for a Drain Code project were not collected; Public Act 188 petitions were presented as validation of support, but PA 188 does not govern – the Drain Code does. Construction under the Drain Code requires a "determination of necessity " study and a subsequent hearing to proceed when a public health reason is cited as a basis for the system's construction, as was the case needed for Brighton Township's sewer system

under the Drain Code; if it exists, no such study has been identified/produced or hearing date/minutes brought forth. The Michigan Headlee Amendment prevents excess tax/fee charges where no value is received; here, users are paying for excess capacity of the treatment plant when no value is received from this idle capacity. The Municipal Finance Act requires that for an assessment to proceed, the amount of assessment must equate to or exceed the increase to the value of the property being assessed ... have property values increased $12,400 or $12, 664 as a direct result of the sewers? Security and Exchange Commission laws require notification of bonding agencies within 10 days when collection shortfalls exist – neither the Township nor the County has filed notice of these collection shortfalls, claiming "loans" have precluded that requirement. Michigan's 200-foot hook-up law has not been enforced. Freedom of Information Act requests (FOIA) go unanswered, especially for post-08/14/00 and current rosters of system users and their assessed amounts. And to add to questionable actions during the 1997-2001 period, when Township sewer issues were at the forefront, "proper Township records" have been burned (per Township minutes of 03/26/01); and no "Destruction of Records" listing of those records has yet been found in Township records/files.

Township & Users

Township officials argue that the sewers benefit the user group and only those benefitting should pay. But many instances exist wherein all residents pay for infrastructure or institutions that they do not use. The Township is building/funding pathways and trails (biking/walking) – a vast number of Township residents will never use them. Many residents never use certain roads, yet they must pay for them when these roads are improved. And still others object to paying school taxes (but they do) when they have never had children. Furthermore and more importantly, the Township had the opportunity to have only the users pay when it and the County established the assessment roll amounts adopted 08/14/00; it did not ask users to pay more and hasn't shown that it revised the assessment roll (which it could have done under the Drain Code). By default, this leaves the Township (all of its taxpayers) a $9.6 million obligation.

And for the Township to say that only the users benefit from the sewers is folly. Certainly only the users benefit from each flush, but the Township clearly benefits in advertising itself to potential residential and commercial clients. Why else would the Township have pursued sewers over so many decades? And the availability of sewers is now an option of all Township properties (if they pay for expansion and/or tie-in).

Corrective Action Needed

The Township officials have had a long history of working to get sewers ... for development purposes. Now the Township has them, but won't take steps of ownership ... admit same and take fiscally corrective action: 1.) stop further capital collection from the portion of the user group that has now met its assessed payment obligation 2.) return appropriate amounts to users whose capital payments now exceed this assessment 3.) pay off the remaining bond debt obligation from the General Fund surplus (not as "loans" to users) and 4. replace the General Fund monies with part of the assessments/fees from future users only if compatible with Drain Code provisions and other applicable laws, retaining another part (or all, if Drain Code and/or other laws so require) in a dedicated capital sewer fund to be used for capital replacements of aging equipment (including grinder pumps) and part for new-user sewer system expansion.

That the sewers are a total Township asset is indisputable – as such, the sewer system is a total Township responsibility/liability. The Township's reluctance to correct past Township mistakes is

the "whole of Brighton Township" (per County Drain authorities) not just the user sub-districts (as some Township officials maintain). The financial burden continues to fall on only the current user group, the initial user group in particular – this is the point of contention!

* County Drain Code sewers are normally for sewer systems that involve more than one municipality. If PA 188 was not to be used, why wasn't PA 185 used? Isn't this latter act, the more "normal" act under which municipal sewers in Michigan are constructed?

** If public health was the reason to invoke/use the County Drain Code, then why were certain lakes allowed to be exempt (Clark, Lake-of-the-Pines, Hope, Lyons and many of the other 26-named lakes in Brighton Township whose riparian homes had/have ageing septic systems). And why were/are not all riparian and adjacent properties on the participating lakes made to tie in at this point in time … 15 additional years on their septic systems?

*** The legitimacy/legality of this sewer bond amount has its critics. The contention is that the legal amount of the sewer bond that could be issued (Michigan Finance Act 34 Section 141.2505 – see pre-2001 revision for effective date) was to have been limited to 3% of the assessed value of properties in the total sewer system (all of Brighton Township). The 2000 evaluation of Brighton Township's properties has been reported to be $763 Million. A 3% ceiling would have limited the bond amount to $22.8 Million, not the $27.8 Million sought/approved/received.

NOTE

Not discussed here are other issues:

- The many legal distinctions between County, County Drain Commission, Sewer Drainage District, public versus municipal corporation, etc. roles and responsibilities and their separate legal identity distinctions as these references have been used here (as stated, this is NOT a legal brief)
- Any disparities between the Drain Code and Brighton Township's Sanitary Sewer Ordinances (past and current) and governance over present or past issues/actions.
- As owner of the sewer system and backer of the bond for this system, the County's and Drain Commission's poorly discharged fiduciary and operational oversight responsibilities for this Township sanitary sewer system.
- The comparative construction cost differences with other Livingston County sanitary sewer systems and implications of impropriety and/or illegality via monopoly pricing ... possibility of "recovery" litigation.
- Political and real estate developer interests served by the positioning, over-build and financing of this Township sanitary sewer system.
- The influence of and/or advantage to TetraTech, Stauder Barch, Pfeffer/Hanniford/Palka and the County Health Department and Drain Commission in achieving and shaping this over-capacitized Township sanitary sewer system.
- Possible prosecutable actions committed by "key players" in this Township sanitary sewer system's promotion, development, construction, financing and custodial oversight.

02/29/16

Brighton Township Sanitary Sewer District Special Meeting

Presented By: Township Manager Brian Vick
Thursday, March 3, 2016

Introductory Comment #1

For as long as the Sanitary Sewer System project has been discussed in Brighton Township there have been parties that have supported and opposed the project.

The October 25, 1999 Township Board minutes included public comments from one particular citizen that reflect the emotion and impact that this project was having on his neighborhood:

"The whole sewer petition incident has pitted friend against friend and neighbor against neighbor and it is time that we put this whole grievous situation behind us."

-D. Darling, SAD Hearing for Osborn Lake & Lakeshore Village

Introductory Comment #2

A special meeting was held on August 4, 2003 to discuss the sewer fund status. The findings presented included:

1. "Original capital charge was less than necessary in order to get support for the original project."
2. "Projected REU's were based on anticipated growth which was never realized due to economy."
3. "Deer Creek and Ore Creek were included in original REU numbers but were later not included in any districts."
4. "40-50% of future projected customers were assumed to pay access charges when in reality only 10% of current customers paid the access charge."

Introductory Comment #3

Objectives

1. Provide a historical perspective.
2. Tie the presentation and responses to actual documents.
3. To answer the questions as best as possible.

Categories

1. Timeline
2. System Design
3. The SAD Process
4. Users of the System
5. Financial Related
6. Miscellaneous
7. Drain Commissioner FAQ

Timeline

Timeline

1997

Citizen interest in sanitary sewer district results in the formation of SAD's and a Sewer Committee

1998

MPS presents Phase 1 and Phase 2 of the Preliminary Design Analysis to the BTBT

1999

Sewer design concept approved, petitions submitted, public hearings held, and Resolutions of Intent approved

2000

Sewer District Board meetings begin, the Township adopts the Assessment Role, and construction begins

2001

Sale of Bonds

2002

Construction of the Sanitary Sewer System

2003

BTBT reviews financial reports resulting in the development of the Action Plan and Utility Master Plan

2004

Bond Refinancing

1997

- *August:* BTBT discussions regarding WWTP for sewer around Woodland Lake.
- *August:* BTBT creates Sewer Review Committee.
- *August:* BTBT takes steps toward SAD to sewer study cost.
- *September:* Numerous districts proceed through SAD approval process to fund Sewer Study (September through December).

1997 Continued

- *September:* Brighton Township issued DEQ discharge permit into Woodruff Creek.
- *November:* Sewer Review Committee members appointed.
- *December:* BTBT enters into engineering services contract with MPS for sewer analysis.

1998

- *January:* First meeting between MPS and the Sewer Review Committee.
- *April:* BTBT resolution to use General Fund resources toward engineering cost, and have General Fund reimbursed via bonds.
- *July:* Preliminary Design Phase 1 completed.
- *August:* Preliminary Design Phase 1 presented to the BTBT.
- *November:* BTBT begins meeting to discuss property acquisition for a WWTP facility.
- *December:* Preliminary Design Phase 2 completed.

1999

- *February:* Preliminary Design Phase 2 presented and accepted by BTBT.
- *February:* BTBT accepts Sewer Committee's recommendations for district.
- *February:* Township distributes **FAQ brochure** and announces informational meetings.
- *February:* BTBT approves appraisal to be performed on WWTP site.
- *March:* Informational Meetings (two **presentations** at Hilton School on same day).
- *May*: Citizen petition deadline.

QUESTIONS AND ANSWERS

What will my costs be?

First, all costs are estimated using anticipated inflation rates through 2001. Actual costs will be based upon bids received from third party construction contractors.

If all 6 districts that are currently involved decide to participate, the costs are estimated to be $12,150 per Residential Equivalent Unit. (Typically a single house is 1 REU.) This amount will be financed over 20 years with equal payments of principle plus interest charged annually on the unpaid balance.

Quarterly sewer use costs are estimated to be $72.00.

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Mich
Repre
5442
Bright
Home
email

Greg
Repre
8070 Pine Ridge
Brighton, MI 48114
Work Phone: (810)229-2397

Bruce Kelly
Represents Clark Lake
1722 Clark Lake
Brighton, MI 48114
Home Phone: (810)229-3312
email: bkelly@rust.net

Terry Woodward
Represents Township-at-Large
3398 Moraine Drive
Brighton, MI 48114
Home Phone: (810)225-2091

The Sewer Review Committee members welcome your questions, comments, and concerns.

The Sewer Review Committee meetings are held at the Township Hall, for time and date information, contact the Clerk's office at (810)229-0560.

own hands. A petition similar to the one circulated for the Sewer Study Special Assessment Districts would need to be circulated again and would need to obtain the signatures of the property owners of more than 50% of the land area in the district. Those petitions must be turned into the Township by May 14, 1999 in order to keep in line with the current cost schedule. If petitions are returned, then the Board of Trustees will hold a public hearing to listen to resident's opinions and decide whether to establish the Special Assessment District or not. A second public hearing would then be held by the Board after the bids have been received to decide the formula for distributing the assessments for the project.

YOU'RE INVITED....

SEWER ISSUES INFORMATIONAL PRESENTATIONS

When: March 9, 1999, 5:00 p.m. and 7:00 p.m. sessions

Where: Hilton Elementary School Gym 9600 Hilton Rd., Brighton, MI.

What: Brief presentation of Sewer Study

Results:

- Question and answer period.
- Opportunity to speak on a personal basis with Township Engineers, Financial Consultants, Bond Counsel, and Representatives of Brighton Township.

For More Information, contact Donna at (810) 229-0559 during Township business hours or your local sewer committee member listed on the left.

SEWER LEAD COSTS

Install 4" SDR 26 Sanitary Lead Pipe (house to gravity sewer): $10 to $15 per foot

Install 4" SDR 26 Sanitary Lead Pipe (house to grinder pump): $15 to $20 per foot

DAILY BREAKDOWN OF COST

Special Assessment Cost: $1.66

Interest on Bonds over 20 years: $1.05

Sewer Use and Maintenance Cost per Day: $0.79

Total Daily Cost: $3.50

Yes. But you must inform the Brighton Township Board in writing before the close of business, 5:00 PM, on the date of the first public hearing.

How will I know when these public hearings will be held?

The exact date is not known at this time, but the first public hearing will be in June 1999. The Brighton Township Board will inform property owners by certified mail, publicize the dates in the Brighton Argus and post them on Cable TV and at the Township Hall. (See tentative schedule.)

When will I see the Special Assessments Costs on my tax bill?

If approved, the first Special Assessment installment will appear on your December 2000 tax bill. The full balance can be paid in full at any time.

Will my costs ever increase?

The assessment, when set at the second public hearing, will not increase for original participants. If you finance through annual tax collections, your payment will vary each year. The annual payment will be one-twentieth (1/20) of the initial assessment plus interest on the unpaid balance.

Future participants will incur any expansion construction costs beyond the original plant.

What is the capacity of the plant?

The initial plant capacity is 2,500 REUs. There are about 1,646 REUs in the 6 SADs the balance is for anticipated growth for the first 4 1/2 to 5 years of the plant operation.

What happens if the growth does not happen?

In this unlikely event, the participants may have to pay increased rates on their quarterly charges.

What are my costs if I own several lots or a very large piece of vacant land?

TENTATIVE SCHEDULE

Preliminary Design Phase I Completed: July 31, 1998

Preliminary Design Phase II Completed: December 1, 1998

Construction Bids Mailed: December, 1999

Construction Bids for Project are Received: January, 2000

Notices of Public Hearing of Rolls: February, 2000

Hearing on SAD Roll is Held: February, 2000

Sale of Bonds: March, 2000

Start Construction: April, 2000

First Collection on the Special Assessment: December, 2000

Construction Completed: Spring, 2001

There are two types of wastewater collections systems within the various neighborhoods; Gravity and Low Pressure. Based upon the topography, engineering costs, estimated costs to construct, estimated maintenance and replacement costs, and easement costs Phase I of the study concluded the most economical local collection sewer systems as:

Woodland Lake SAD	Mostly Low Pressure with some Gravity
West Grand River SAD	Mostly Low Pressure with some Gravity
Clark Lake SAD	Low Pressure Sewer System
East Grand River SAD	Gravity Sewer System
Fonda Lake SAD	Low Pressure Sewer System
Lake of the Pines SAD	Low Pressure Sewer System

All participants will pay the same assessment per REU assigned to their property regardless of the type of system.

What is the difference between the Low Pressure and Gravity Systems?

Gravity Systems require an open ditch construction where the pipes are installed on an incline and gravity moves the wastewater to a common pumping station serving many properties. Low Pressure Systems use a grinder pump buried on each property that forces sewage to the main sewer lines.

The Low Pressure Systems require that pits be dug every 500 to 600 feet along the street right of way. Underground directional boring occurs from these pits to the grinder pump. The grinder pump is buried, usually 10 to 15 feet away from your house, and uses a small amount of electricity from your meter to run (about the same amount that your well uses).

continued on page 4

Q & A continued from page 3

Will I be able to locate the grinder pump wherever I want?

Yes. The construction crews will discuss these options with you before work is started. You will be able to avoid landscaping and other structures thanks to the directional boring technology. Note that you are responsible for the connection costs of the sanitary lead and electricity from your house, so the further away the pump is located from your house the more expensive it will be. The costs from

If construction occurs, when must I connect?

State Law requires that all structures within 200 feet of an available public sewer must connect within 18 months of the sewer being available. During construction, each property owner will contacted by field personnel regarding the actual availability for their area.

What if State regulations change?

What happens if the growth does not happen?

In this unlikely event, the participants may have to pay increased rates on their quarterly charges.

System if my power fails?

First, the grinder pump holds about a 60 gallons, so it takes some time before it fills up. Should your power fail or the pump stop working for any reason, there will be an 800 toll free number for you to call. An operator with a generator will be dispatched to power your grinder pump. There is no charge for this service nor for the maintenance of the grinder pump.

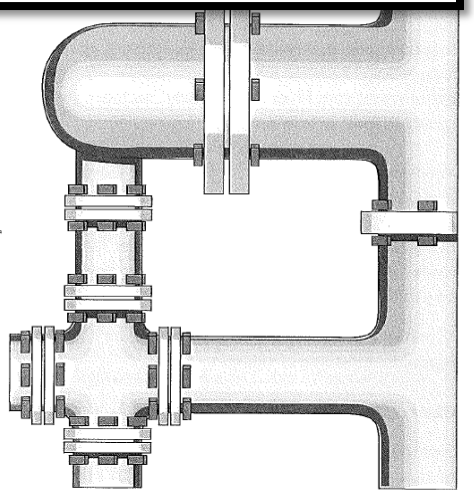
Still Time to Participate

The wastewater treatment plant is being built to handle 2,500 REUs. So it will be able to handle about 5 years of anticipated growth. However, only the districts in the original bond issue will be able to finance the costs for 20 years. Those not in the original bond issue will have to pay $12,150 plus any inflated construction costs in cash or finance it themselves, and all connections not reserved will be subject to available capacity.

This is fine for new homes that have the choice of building a septic system or connecting to the sewers. But for existing homes the sticker price may be too high to pay all at once.

Your neighborhood can still participate in the low interest bond financing if petitions are circulated and returned by May 14, 1999.

Call the township for details.



Sewer Study is on-line/Available

For those who surf the net, the preliminary design report as prepared by McNamee, Porter, & Seeley, the Township Engineers, is available for your review on-line at **http:\www.mcnamee.com\Brighton-Twp**. For those without computers, you can browse through a hard copy at the Brighton District Library Reference desk.

Township of Brighton

Sanitary Sewer System

Information Session

March 9, 1999

"Heart of Michigan's Water Wonderland"

Quarterly Sewer Use Charge

- Three Cost Components
  - Billing Charge = $5.29 / bill
  - Commodity Charge = $2.86 / 1,000 gals.
  - Debt Service Charge = $12.00 / bill

Quarterly Sewer Use Charge

- Three Cost Components
  - Billing Charge = $5.29 / bill

• Billing Charge	$5.25
• Commodity Charge[1]	274.75
• Debt Service Charge	12.00
	$292.00

[1]Billable flow for each REU is 210 gpd or 19,110 gallons/qtr.

- 5 Years of Future Users at a Connection Rate of 165 REUs per Year

Benefits of Public Sanitary Sewer System

- Reduce Nutrient Loading to Lake
- Reduce Nitrate Loading to Groundwater (Drinking Water Supply)
- Township to Operate and Maintain Collection and Disposal System
- Increased Removal or Treatment of Pollutants (up to 95% removal)
- Sewer Collection System and Treatment Facility to be Monitored by the Township and the State

1999 Continued

- *June:* Public hearing scheduled.
- *June:* Alternative scenarios considered between 2100 and 2500 REU facility.
- *July:* BTBT seeks extension of the DEQ surface water permit to August 2003.
- *August:* Sewer Committee recommends Option #4.
- *August:* BTBT resolutions of intent to proceed with Drain Project and set public hearing date.
- *September:* Separate public hearings for each proposed sewer district.

1999 Continued

- *October:* BTBT Resolutions of intent to proceed with Drain Project and set public hearing date.
- *October:* Public hearings on the proposed sewer project for additional districts.
- *October:* MPS submits proposals for Final Design services.
- *November:* BTBT Resolutions of intent to proceed with Drain Project and set public hearing date.
- *November/December:* Public hearings on the proposed sewer project for additional districts.
- *December:* BTBT resolution to proceed with project and file petition with Drain Commissioner.

2000

- *March:* BTBT approves purchase of WWTP property.
- *March:* First meeting of the Sewer District Board.
- *April:* Drain Commissioner at BTBT meeting details how his office will proceed with project.
- *April:* BTBT directs Sewer Committee to continue working on sewer policies.
- *May:* BTBT adopts sewer policies.
- *May:* Sewer District Board Public Hearing – Apportionment of Costs – 100% to Brighton Twp.

2000 Continued

- *May:* Construction of the project out for bid.
- *June:* Construction bids due at Drain Commissioner's office.
- *July:* Livingston County resolution granting Full Faith and Credit for the project.
- *July:* BTBT sets date of public hearing on Special Assessment Roll with mailings/publishing.
- *July:* Notice to vacant property owners about combining lots to avoid additional REU's.
- *August:* BTBT adoption of SAD Roll.

2000 Continued

- *September:* BTBT into closed session regarding WWTP property acquisition.
- *September:* Sewer District Board adopts Bond Authorizing Resolution.
- *September:* BTBT approves contract with Drain Board.
- *September:* DEQ approves permit for .65 MGD.
- *October:* Sale of Bonds.
- *October :* Awarding Resolution of Bonds.

2000 Continued

- *October:* BTBT approves additional Sewer policies which Committee had worked on.
- *October:* Pre-Construction meeting.
- *November:* Lease for WWTP between BT and Drain Board.
- *November:* Construction agreements signed.
- *November:* Notice to Proceed issued (420-630 days of construction).
- *November:* Project lease agreement with Drain Commissioner adopted.
- *November:* Sewer Request Policy, Sewer Connection Policy, and Deferral Policy adopted.

2001

- *January:* BTBT closed session regarding property acquisition for sewer project.
- *January:* BTBT resolutions regarding the taking of easements in real property.
- *February:* Sewer Committee Report to BTBT on deferrals and lot combinations.
- *March:* BTBT requests financial status of sewer project each month.
- *May:* Assigned MPS contract to Drainage District.
- *May:* Sewer Use Ordinance being worked on.
- *June:* BTBT closed session regarding property acquisition and sewer easements.

2002

- *March:* First reading of Sewer Ordinance.
- *March:* BTBT closed session regarding property acquisition and sewer easements.
- *April:* Sewer Ordinance second reading-approved.
- *April/May:* Anticipated system startup.
- *May:* First reading of Sewer Ordinance (Amended).
- *May:* Quarterly Sewer Rates approved.

2002 Continued

- *June:* Sewer Ordinance (Amended) second reading.
- *August:* Resolution regarding Spencer Road sewer SAD.
- *August:* Amendment to assessment deferrals resolution – BT adopts the US poverty thresholds.
- *August:* Public hearing Spencer Road sewer SAD – adopted resolution.
- *October:* BTBT Resolution to file petition for Spencer Road SAD with Drain Commissioner.

2003

- *April*: Financial Status of sewer system (reevaluation of projected future hookups and fees).
- *May:* Sewer tap fees (Tabled).
- *June:* Discussion of financial status of Sewer Fund.
- *June:* Policies amended and increasing of sewer fee amounts.
- *June:* Public hearing scheduled regarding sewer fees for July.
- *June:* Sewer Committee meets to discuss sewer rate increases.

2003 Continued

- *July:* Public hearing regarding sewer quarterly fees (Tabled) until after public info meeting.
- *July:* Scheduled special sewer info meeting for August.
- *August:* BTBT financial status discussion – bad future growth projections.
- *August:* Action Plan developed and adopted.
- *August:* Utility Master Plan – authorization to solicit Letters of Interest.
- *August:* PHP submits proposal to provide quarterly financial analysis.

2003 Continued

- *September:* Sewer rate study by PHP.
- *September:* BTBT tables action on study.
- *October:* Sewer Rate Study (revised) presented by PHP.
- *October:* BTBT adopts quarterly user fee resolution.
- *November:* BTBT sets goal to gain new REU.

2003 Continued

- *November:* Sewer Fund status – BTBT accepts action plan report.
- *November:* Loan from General Fund to sewer funds with interest rate set.
- *December:* Sewer Fund status – accepted report.
- *December:* Quarterly Financial Report from PHP.
- *December:* Award contract to Ayers Lewis for Utilities Master Plan.

2004

- *January:* Sewer Fund Action Plan Report.
- *January:* Quarterly Financial Report PHP.
- *February:* WWTP operation report IAI.
- *February:* Sewer Fund Action Plan.
- *February:* Spencer Sewer SAD – approving project and directing SAD Roll.
- *March:* Sewer Fund Action Plan.
- *March:* GF loan to Sewer OM of $100,000 at 2%.

2004 Continued

- *March:* Spencer Sewer public hearing – confirming Assessment Roll.
- *April:* Sewer Fund Action Plan status report.
- *April:* Tax roll correction Spencer sewer SAD.
- *May:* Sewer Fund Action Plan status report.
- *May:* Accept sewer infrastructure – various locations.
- *June:* Sewer Fund Action Plan status report.

2004 Continued

- *July:* Quarterly sewer financial report PHP.
- *July:* BTBT approved Stone Valley Development – requires future connection.
- *August:* Sewer Fund Action Plan report.
- *August: Quarterly* Financial Report PHP.
- *September:* Sewer Utility Master Plan open house – Sewer Master Plan presented.

2004 Continued

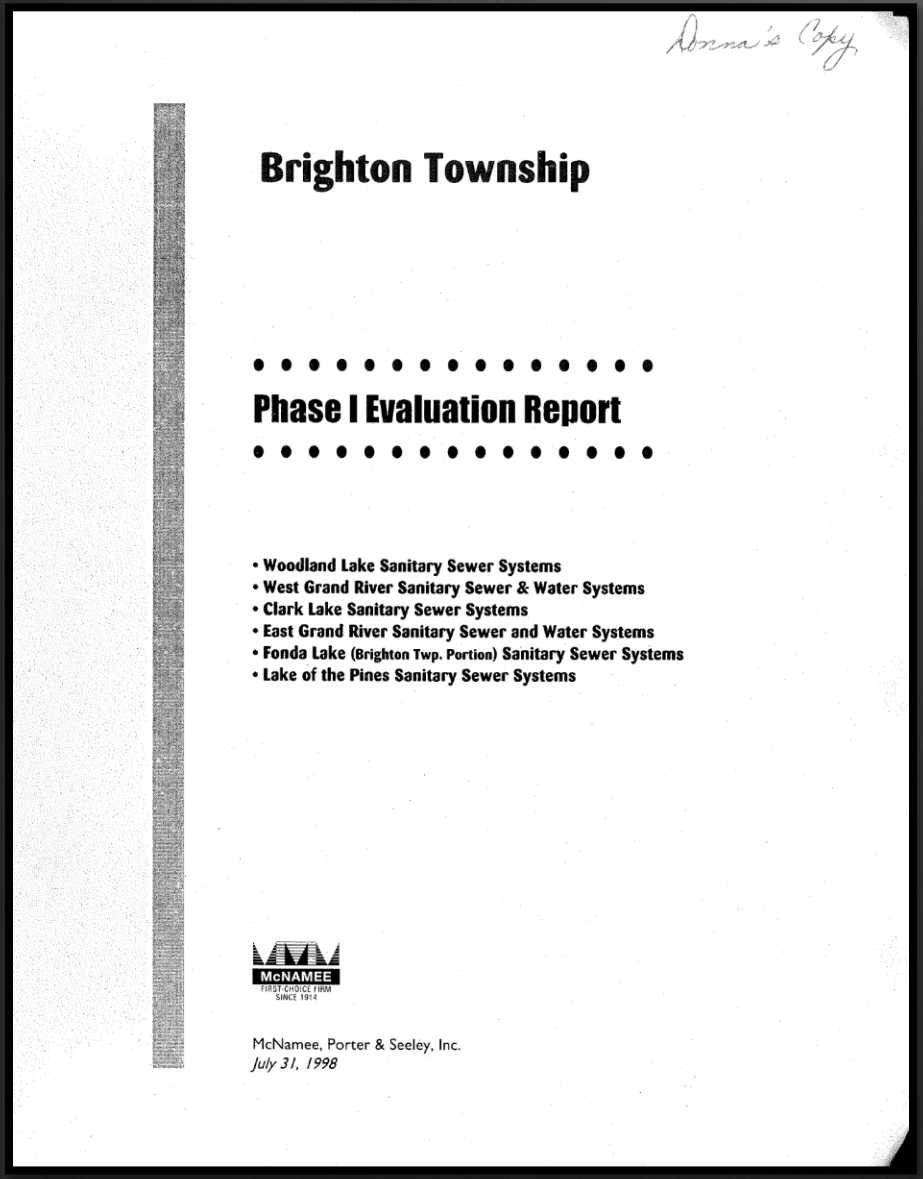
- *October:* Sewer Fund Action Plan report.
- *October:* Sewer policy update.
- *October:* Spencer SAD tax roll change.
- *October:* Summary of Actions taken to improve the financial health of the sewer system.
- *November:* Sewer Fund Action Plan report.

2005

- *February:* Bond refinancing – notify Drain Commissioner of potential to refinance.

System Design

MPS – Phase 1 Evaluation Report



Donna's Copy

Brighton Township

Phase I Evaluation Report

- Woodland Lake Sanitary Sewer Systems
- West Grand River Sanitary Sewer & Water Systems
- Clark Lake Sanitary Sewer Systems
- East Grand River Sanitary Sewer and Water Systems
- Fonda Lake (Brighton Twp. Portion) Sanitary Sewer Systems
- Lake of the Pines Sanitary Sewer Systems

McNAMEE
FIRST CHOICE FIRM
SINCE 1914

McNamee, Porter & Seeley, Inc.
July 31, 1998

Executive Summary

"Phase I consisted of evaluating the possible alternatives for providing sanitary sewer to the residences and businesses located within the Special Assessment District (SAD) for each of the areas…Also included is an engineering opinion of probable project costs which summarizes the projected costs for each alternative."

-Page iv of Phase 1 Study

MPS - Phase 1 Projections

Sanitary Sewer District	Existing REUs	Sewage Flow (GPD)	Gravity System Estimate	Pressure System Estimate
Clark Lake	105	27,300	$1,277,000	$916,000
Woodland Lake	503	130,780	$6,869,000	$6,281,000
West Grand River	230	59,800	$2,958,000	$2,543,000
East Grand River	202	52,520	$6,218,000	N/A
Fonda Lake	80	20,800	$667,000	$714,000
Lake of the Pines	255	66,300	$2,087,000	$2,359,000
Totals	**1,375**	**357,500**		

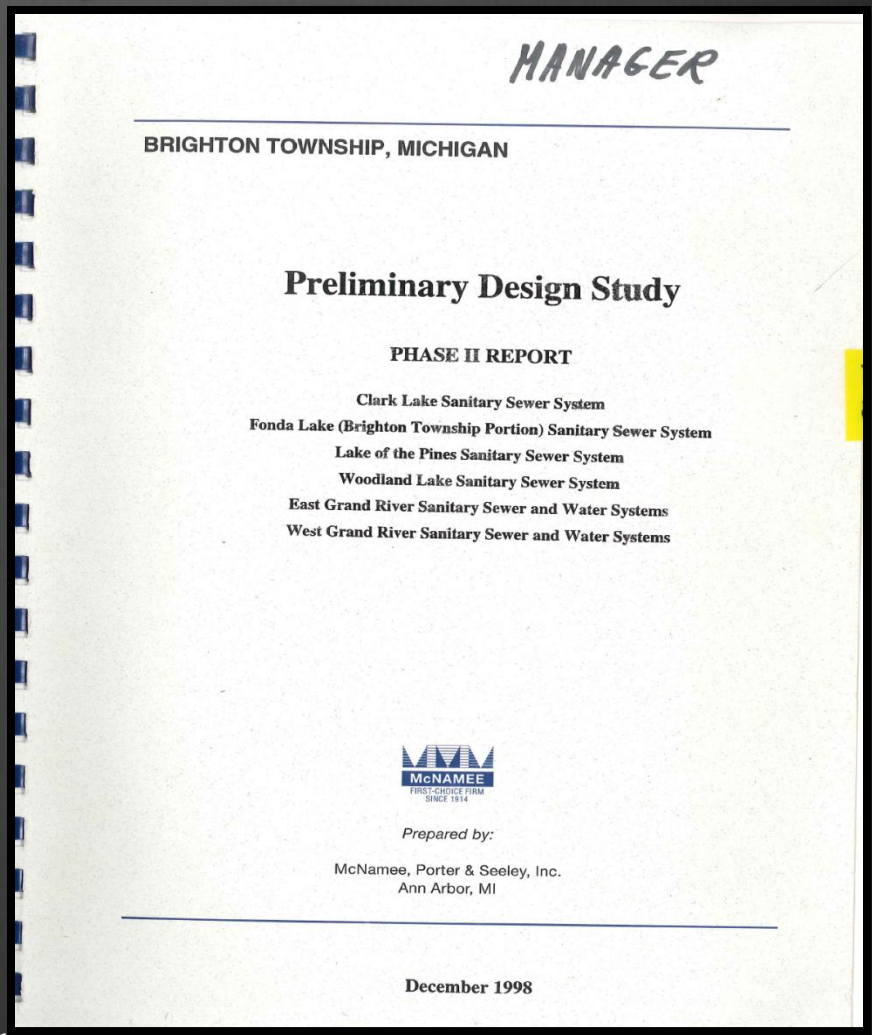
"[T]he areas and the projected sanitary sewer flows [are] based on the *Ten States Standards* factors of 100 gallons per day per capita and an assumption of 2.6 persons per REU."

-Page 5 of Phase 1 Study

MPS – Phase 2 Preliminary Design Study

"The Preliminary Design would identify the type and size of the proposed sanitary sewers, the routing of the sanitary sewers, and the location and size of the proposed wastewater treatment plant."

-Page 1 of Phase 2 Study



MANAGER

BRIGHTON TOWNSHIP, MICHIGAN

Preliminary Design Study

PHASE II REPORT

Clark Lake Sanitary Sewer System
Fonda Lake (Brighton Township Portion) Sanitary Sewer System
Lake of the Pines Sanitary Sewer System
Woodland Lake Sanitary Sewer System
East Grand River Sanitary Sewer and Water Systems
West Grand River Sanitary Sewer and Water Systems

McNAMEE
FIRST-CHOICE FIRM
SINCE 1914

Prepared by:

McNamee, Porter & Seeley, Inc.
Ann Arbor, MI

December 1998

MPS – Phase 2 Contents

- Introduction
- Proposed Sanitary Sewer System and Water Systems
- Preliminary Assessment Rolls
- Costs
- Schedule
- Project Funding
- Financial Assistance
- Final Design Issues

Phase 2 Analysis

Sanitary Sewer District	Numbers of Customers	Number of REUs	Average Sewage Flow (GPD)
Clark Lake	109	109	28,340
East Grand River	80	315	81,900
Fonda Lake	78	109	28,340
Lake of the Pines	258	258	67,080
West Grand River	102	218	56,680
Woodland Lake	562	637	165,620
Totals	**1,189**	**1,646**	**427,960**

"The average design sewage flow is determined using an average design flow of 260 gallons per day (GPD) per REU." **-Page 7 of Phase 2 Study**

Phase 2 Billing Projections

"The anticipated quarterly sanitary sewer user charges are as follows, and are based on a sanitary sewer system serving 1,189 customers with 1,646 REUs and a billable sewage flow of 210 gallons per day (GPD) per REU. The following user charges do not include capital charges or the recovery of any capital expenses…

Billing Charge = $5.25 per bill per quarter

Commodity Charge = $2.86 per 1,000 gallons

Using the anticipated charges, the typical quarterly sewer bill for sanitary sewer customer with one (1) REU is $60.00 and for a sanitary sewer customer with five (5) is $280.00." **-Page 20-21 of Phase 2 Study**

Phase 2 – Project Funding

"Brighton Township plans to sell bonds through the Livingston County Drain Commissioner's office for the funds necessary to cover the project costs of the proposed sanitary sewer system…The bonds will be paid with the revenues generated from the following sources:

1. Special Assessment Fees on Properties included in the Special Assessment District.
2. Tap Fee or Connection Charge Revenues from Future Customers.
3. Revenues from Capital Charges that are included in the quarterly sewer…charges."

-Page 24 of Phase 2 Study

Phase 2 Appendices

A. Location and Boundaries of SADs
B. Brighton Township WWTP NPDES Permit
C. Preliminary Basis of Designs
D. Typical Grinder Pump Installation
E. Typical Grinder Pump Easement Document
F. Preliminary Special Assessment Rolls
G. REU Determination for Properties with Multiple REUs.
H. Vacant Properties with Potentially More than One REU/Unbuildable Vacant Properties

Phase 2 Appendices Continued

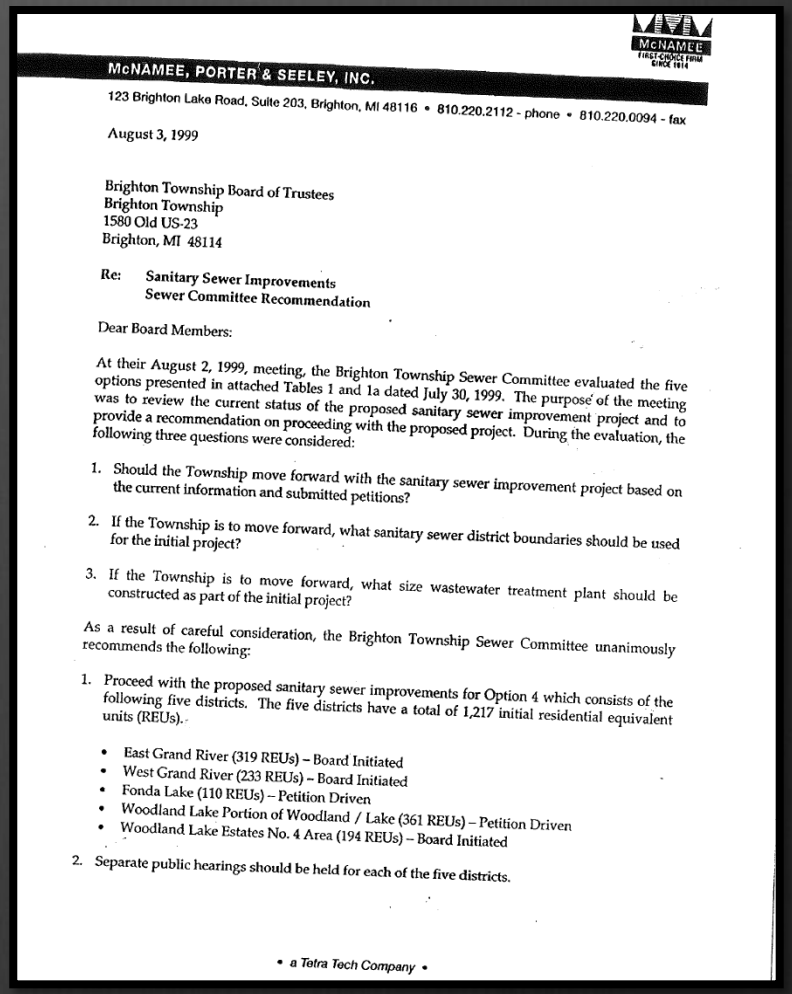
I. Engineers Opinion of Probable Costs
J. Anticipated User Charges
K. Project Schedule
L. USDA 504 Loan and Grant Program Backup
M. LCHD Environmental Awareness Handbook – Brighton Township
N. Sample Sewer Use Ordinance
O. Responses to Homeowner's Questions
P. Properties that can connect to Genoa Township Sanitary Sewer

Committee Recommendations

1. Proceed with the proposed sanitary sewer improvements for Option 4 which consists of East and West Grand River, Fonda Lake, Woodland Lake and Woodland Lake Estates No. 4 Area.
2. Separate public hearings should be held for each of the five districts.
3. Provide a 2,100 REU wastewater treatment facility as part of the initial project. This will provide approximately 883 future REUs for additional sewer users.

Committee Recommendations

4. The cost of the five sewer districts presented in (1) and (3) is $12,400 per REU.
5. Petitions from additional districts must be turned into the Township by Sept. 24, 1999 to be included in the project. The WWTP would be increased by 825 REUs if additional districts are added to the project.



McNAMEE, PORTER & SEELEY, INC.

123 Brighton Lake Road, Suite 203, Brighton, MI 48116 • 810.220.2112 - phone • 810.220.0094 - fax

August 3, 1999

Brighton Township Board of Trustees
Brighton Township
1580 Old US-23
Brighton, MI 48114

Re: Sanitary Sewer Improvements
Sewer Committee Recommendation

Dear Board Members:

At their August 2, 1999, meeting, the Brighton Township Sewer Committee evaluated the five options presented in attached Tables 1 and 1a dated July 30, 1999. The purpose of the meeting was to review the current status of the proposed sanitary sewer improvement project and to provide a recommendation on proceeding with the proposed project. During the evaluation, the following three questions were considered:

1. Should the Township move forward with the sanitary sewer improvement project based on the current information and submitted petitions?
2. If the Township is to move forward, what sanitary sewer district boundaries should be used for the initial project?
3. If the Township is to move forward, what size wastewater treatment plant should be constructed as part of the initial project?

As a result of careful consideration, the Brighton Township Sewer Committee unanimously recommends the following:

1. Proceed with the proposed sanitary sewer improvements for Option 4 which consists of the following five districts. The five districts have a total of 1,217 initial residential equivalent units (REUs).
   - East Grand River (319 REUs) – Board Initiated
   - West Grand River (233 REUs) – Board Initiated
   - Fonda Lake (110 REUs) – Petition Driven
   - Woodland Lake Portion of Woodland / Lake (361 REUs) – Petition Driven
   - Woodland Lake Estates No. 4 Area (194 REUs) – Board Initiated
2. Separate public hearings should be held for each of the five districts.

• a Tetra Tech Company •

The SAD Process

SAD Process – Layman's Synopsis

1. Petitions received from districts.
2. Public hearing for individual districts at BTBT level.
3. BTBT petitions Drain Commissioner to establish a Sanitary Drain.
4. County holds public hearing regarding the project, petitions, assessing costs.
5. County holds public hearing apportioning costs to Township.
6. Township approves project and creates assessment roll.
7. Township public hearing on the assessment roll.
8. Publications and notifications as required by law.
9. Township adopts assessment roll.

Dykema Gossett
Draft 9/6/00

Brighton Township
Sanitary Sewer Project
Financing Schedule and Timetable

Step	Action	Date
1.	Township Board Adopts Reimbursement Resolution	April 7, 1998
2.	Preliminary Plans and Specifications for the Project are Prepared	Fall, 1998-February, 1999
3.	Informational Meetings on Proposed Project	March 9, 1999
4.	Petitions to Request Sewer Project Circulated by Sewer Committee[1]	Spring, 1999
5.	Petitions Reviewed for Sufficiency by the Township	June, 1999
6.	Township sends by registered mail Notice of Intent to File a Petition with the Livingston County Drain Commissioner for the Initial Areas	August, 1999
7.	Township Board Adopts Resolution of Intent to Proceed with Drain Project and to Set Public Hearing Thereon for the Initial Areas	August, 1999
8.	Township Board Schedules Public Hearings for each of the Initial Areas and Directs the Issuance of Statutory Notices	August, 1999
9.	Township Board Holds Public Hearings for Each of the Initial Areas	September/October, 1999
10.	Petitions for Additional Areas Submitted to Township	September/October, 1999
11.	Petitions Reviewed for Sufficiency by the Township	September/October, 1999
12.	Township sends by registered mail Notice of Intent to File a Petition with the Livingston County Drain Commissioner for the Additional Areas	September/October, 1999
13.	Township Board Adopts Resolution of Intent to Proceed with Drain Project and to Set Public Hearing Thereon for the Additional Areas	September/October, 1999
14.	Township Board Schedules Public Hearings for each of the Additional Areas and Directs the Issuance of Statutory Notices	September/October, 1999

[1] The Petitions request that the Township Board proceed with the Project and that the Township Board levy special assessments to pay for the costs of the Project.

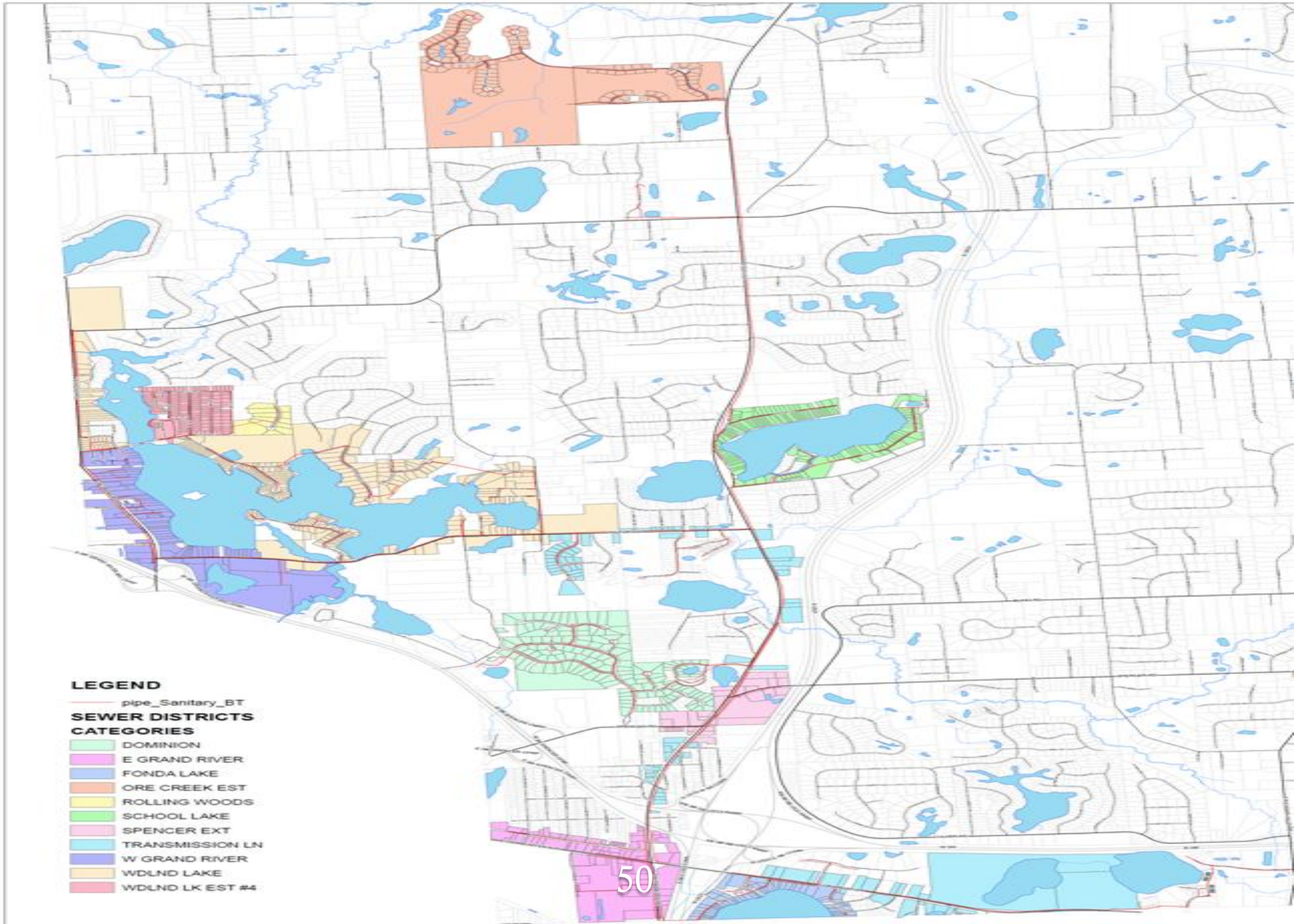
Who is on the System?

BRIGHTON TOWNSHIP SANITARY SEWER DRAINAGE DISTRICT ASSESSMENT ROLL

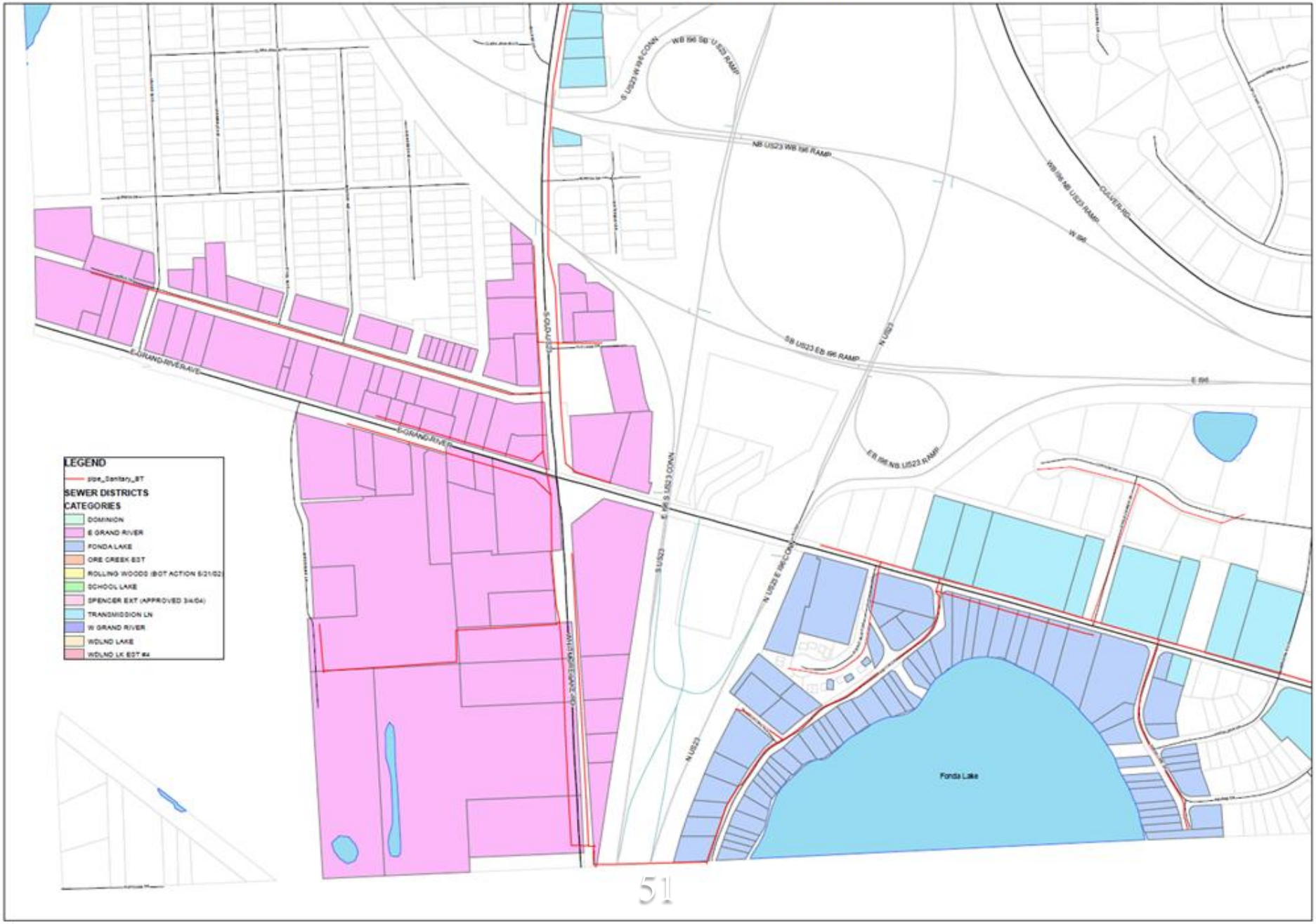
(Adopted August 14, 2000)

TAX ID	ADDRESS	STREET	OWNER	ACRES	REUs	SUB-AREA	AMOUNT
12-05-100-003-00	9326	MCCLEMENTS	LANS DEVELOPMENT CORPORATION	242.370	127	Ore Creek Estates	$1,441,512
12-05-100-004-00	0	MCCLEMENTS VACANT	LANS DEVELOPMENT CORPORATION	52.520	1	Ore Creek Estates	$11,755
12-05-400-012-00	0	OLD US 23 VACANT	LANS DEVELOPMENT CORPORATION	47.840	1	Ore Creek Estates	$11,755
12-05-400-013-00	0	OLD US 23 VACANT	BRIGHTON/23, LLC	28.010	1	Ore Creek Estates	$11,755
12-16-101-151-00	0	CADES COVE VACANT	PHILION LIVING TRUST	1.182	1	School Lake	$12,664
12-16-101-152-00	2700	CADES COVE	PHILION LIVING TRUST	1.245	1	School Lake	$12,664
12-16-300-016-00	2921	CADY DR	KOEHLER, RONALD & PAMELA	1.090	1	School Lake	$12,664
12-16-300-020-00	0	SKEMAN VACANT	SWONK, JAMES & CERU, JOANNE	1.240	1	School Lake	$12,664
12-16-300-021-00	0	SKEMAN VACANT	NOVAK, MARK & NORTON, PATRICK	0.940	1	School Lake	$12,664
12-16-301-001-00	3007	SCHOOL LAKE	WICKE, ALBERT & WANDA	0.110	1	School Lake	$12,664
12-16-301-002-00	2989	OLD US 23	MONTGOMERY, EVELYN	0.110	1	School Lake	$12,664
12-16-301-004-00	2981	OLD US 23	CHIO REVOCABLE TRUST	0.140	1	School Lake	$12,664
12-16-301-007-00	2941	SCHOOL LAKE	BLACK, JAN	0.130	1	School Lake	$12,664
12-16-301-010-00	2901	SCHOOL LAKE	DAUGARD, FRANK & SHARON	0.180	1	School Lake	$12,664
12-16-301-012-00	2891	SCHOOL LAKE	ADAMSKI, LINDA	0.220	1	School Lake	$12,664
12-16-301-013-00	2887	SCHOOL LAKE	ZANDER, WILBERT	0.240	1	School Lake	$12,664
12-16-301-014-00	2863	PARKLAWN	LEMPONEN, DEAN & KAREN	0.250	1	School Lake	$12,664
12-16-301-015-00	2845	PARKLAWN	LEMORIE, MILDRED	0.270	1	School Lake	$12,664
12-16-301-016-00	0	PARKLAWN VACANT	BLACK, PETE	0.290	1	School Lake	$12,664
12-16-301-017-00	2805	PARKLAWN	A.J. PLASKEY, INC.	0.620	1	School Lake	$12,664
12-16-301-018-00	0	PARKLAWN PARK	SCHOOL LAKE PARK SUB	0	0	School Lake	$0
12-16-301-019-00	2801	PARKLAWN	CUSTER LIVING TRUST	0.380	1	School Lake	$12,664
12-16-301-020-00	2797	PARKLAWN	JAMES, ISOBEL	0.430	1	School Lake	$12,664
12-16-301-021-00	2789	PARKLAWN	SNYDER, LOUIS & WANDA	0.410	1	School Lake	$12,664
12-16-301-024-00	2767	PARKLAWN	ELDER, BONNIE	0.370	1	School Lake	$12,664
12-16-301-025-00	2759	PARKLAWN	ZWAR, WALTER	0.380	2	School Lake	$25,064
12-16-301-026-00	2755	PARKLAWN	KUBIT, RICHARD	0.340	1	School Lake	$12,664
12-16-301-027-00	2751	PARKLAWN	BOWN,TIMOTHY & MCSEVENY,IRENE	0.340	1	School Lake	$12,664
12-16-301-028-00	2747	PARKLAWN	ARBOUR, DOUGLAS & MAUREEN	0.340	1	School Lake	$12,664
12-16-301-029-00	2743	PARKLAWN	WALTER, EILEEN	0.330	1	School Lake	$12,664
12-16-301-030-00	2739	PARKLAWN	VSETULA, CHRIS & LESLIE	0.330	1	School Lake	$12,664
12-16-301-031-00	2735	PARKLAWN	MCGUIRE, SEAN DANIEL	0.330	1	School Lake	$12,664
12-16-301-033-00	2731	PARKLAWN	RAYMOND, THOMAS & MADELON	0.650	1	School Lake	$12,664
12-16-301-036-00	2715	PARKLAWN	SCOTT, JAMES & JODI	0.320	1	School Lake	$12,664
12-16-301-037-00	2711	PARKLAWN	SCHNURSTEIN, HARVEY & RANDI	0.640	1	School Lake	$12,664
12-16-301-039-00	2703	PARKLAWN	KARDOS, RONALD	0.310	1	School Lake	$12,664
12-16-301-040-00	2699	PARKLAWN	BORGMAN, RONALD	0.310	1	School Lake	$12,664
12-16-301-043-00	2687	PARKLAWN	KRIEG, GLEN & FLORENCE	0.310	1	School Lake	$12,664
12-16-301-044-00	2683	PARKLAWN	MULLIN, DAVID	0.300	1	School Lake	$12,664
12-16-301-045-00	2679	PARKLAWN	UREN, JONATHAN	0.300	1	School Lake	$12,664

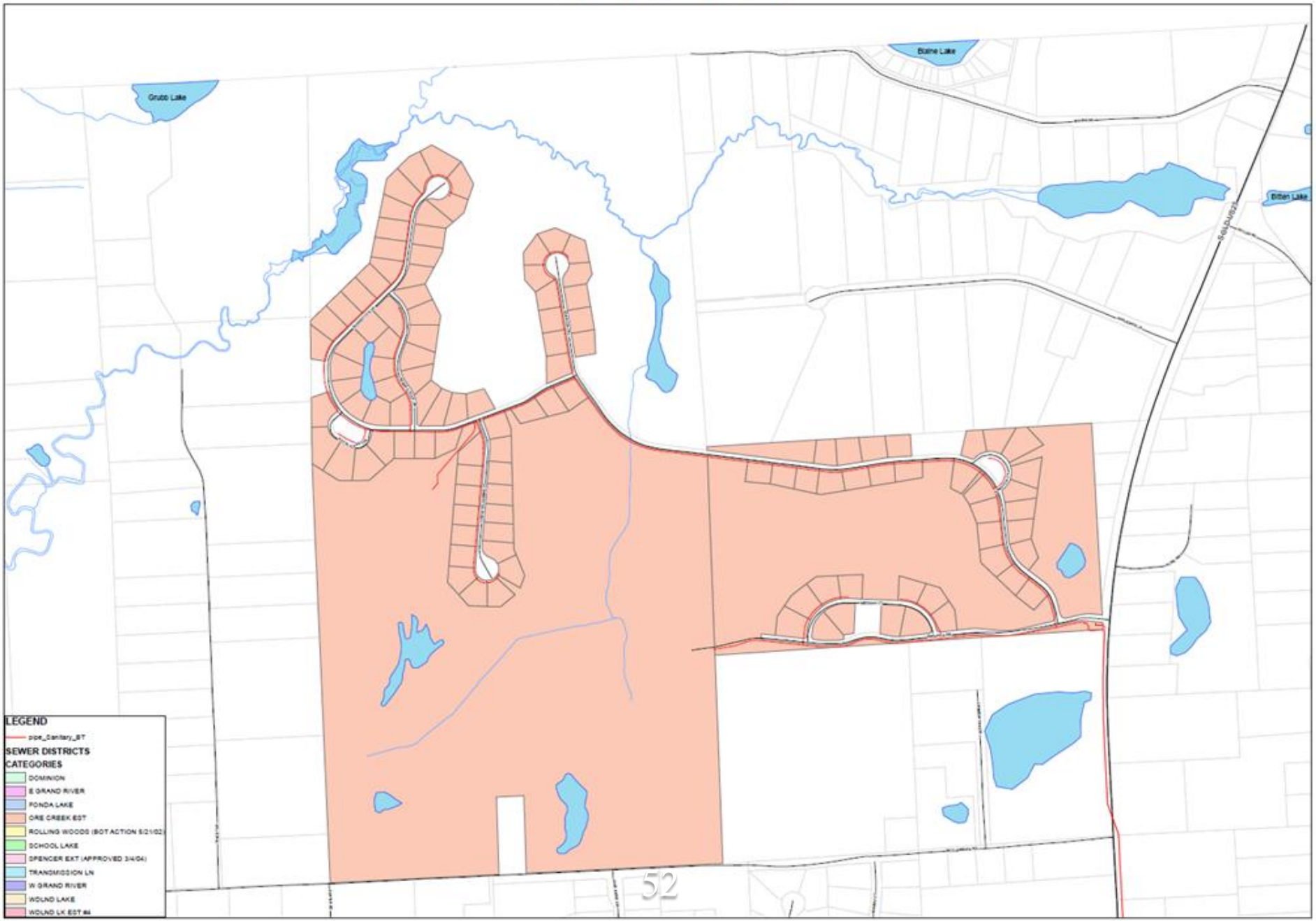
BRIGHTON TOWNSHIP SANITARY SEWER SYSTEM
DISTRICTS AS DEFINED BY ORIGINAL SPECIAL ASSESSMENT



BRIGHTON TOWNSHIP SANITARY SEWER SYSTEM
DISTRICTS AS DEFINED BY ORIGINAL SPECIAL ASSESSMENT
EAST GRAND RIVER DISTRICT/FONDA LAKE DISTRICT

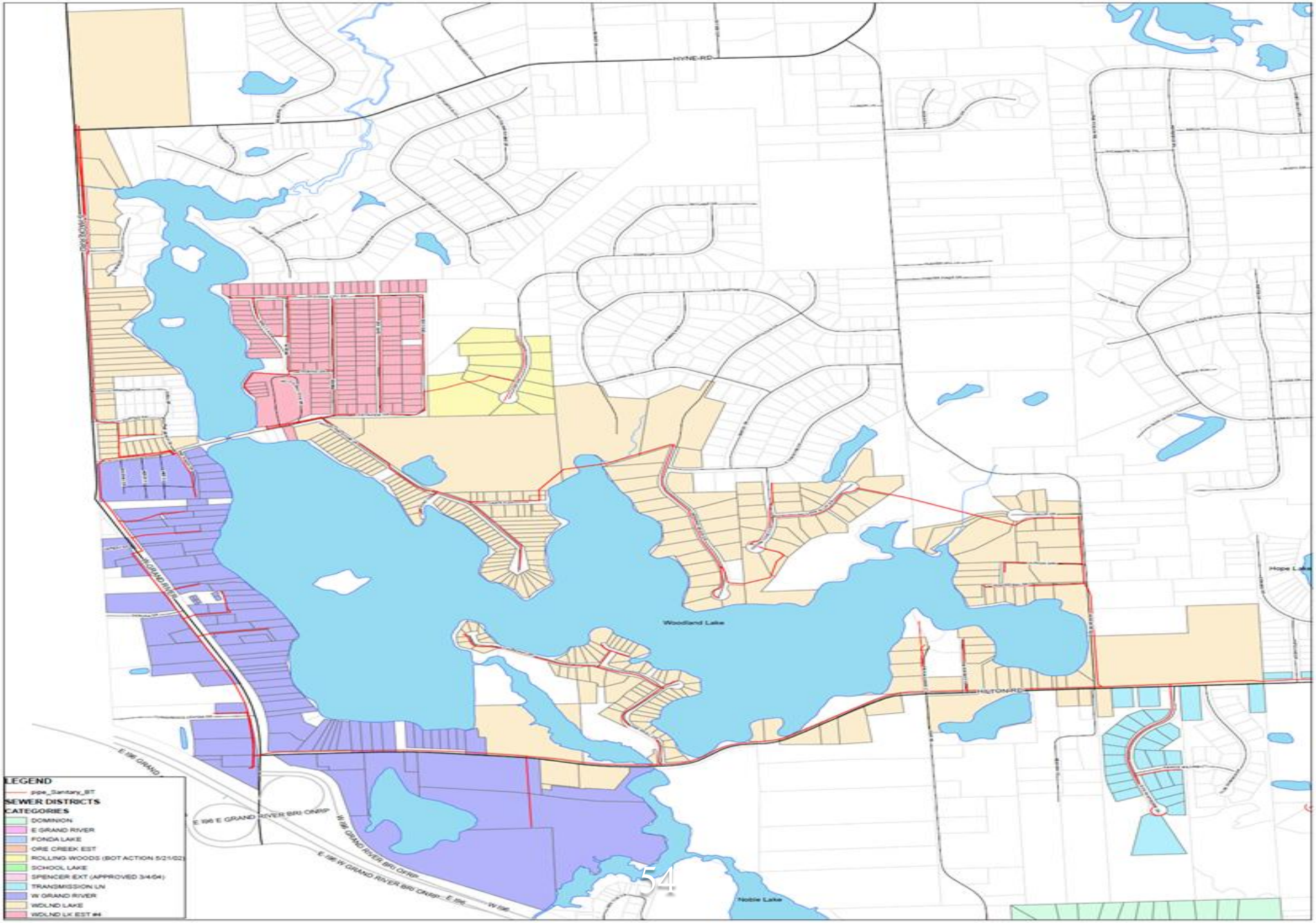


BRIGHTON TOWNSHIP SANITARY SEWER SYSTEM
DISTRICTS AS DEFINED BY ORIGINAL SPECIAL ASSESSMENT
ORE CREEK ESTATES DISTRICT

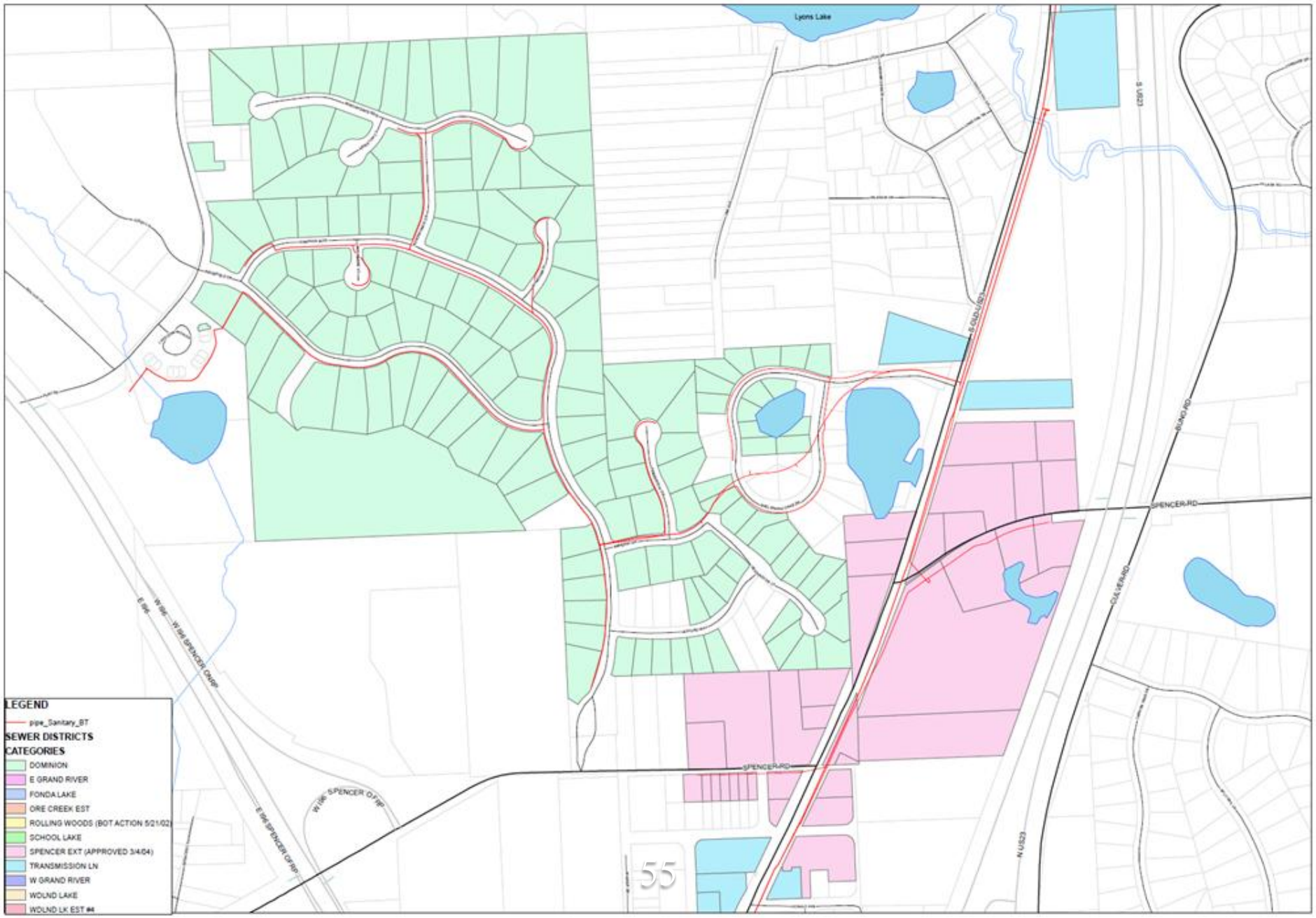


BRIGHTON TOWNSHIP SANITARY SEWER SYSTEM
DISTRICTS AS DEFINED BY ORIGINAL SPECIAL ASSESSMENT
SCHOOL LAKE DISTRICT

BRIGHTON TOWNSHIP SANITARY SEWER SYSTEM
DISTRICTS AS DEFINED BY ORIGINAL SPECIAL ASSESSMENT
WEST GRAND RIVER DISTRICT/WOODLAND LAKE DISTRICT



BRIGHTON TOWNSHIP SANITARY SEWER SYSTEM
DISTRICTS AS DEFINED BY ORIGINAL SPECIAL ASSESSMENT
DOMINION DISTRICT/SPENCER EXTENSION DISTRICT

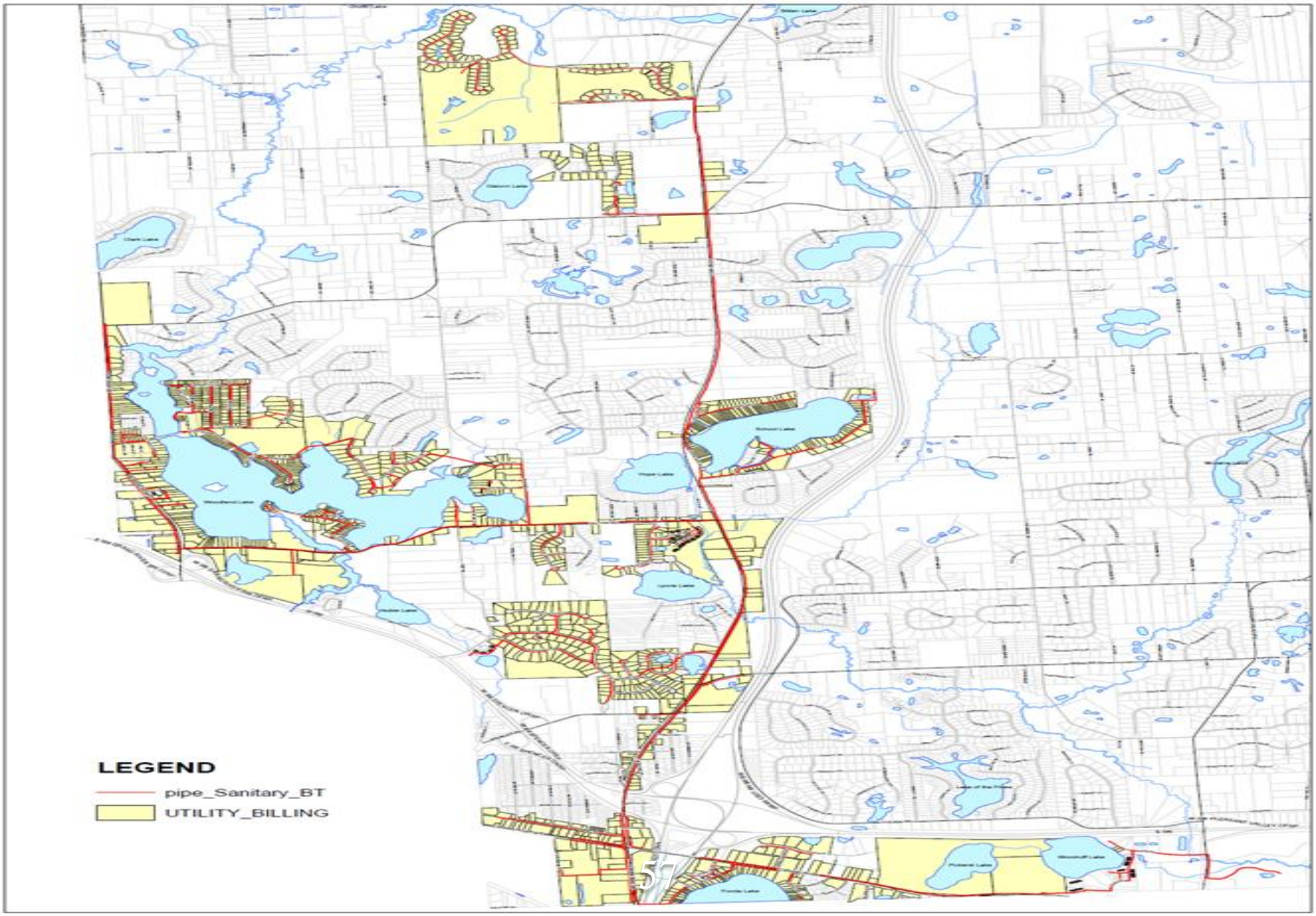


CURRENT UTILITY BILLING ACCOUNTS
AS OF 2-23-16

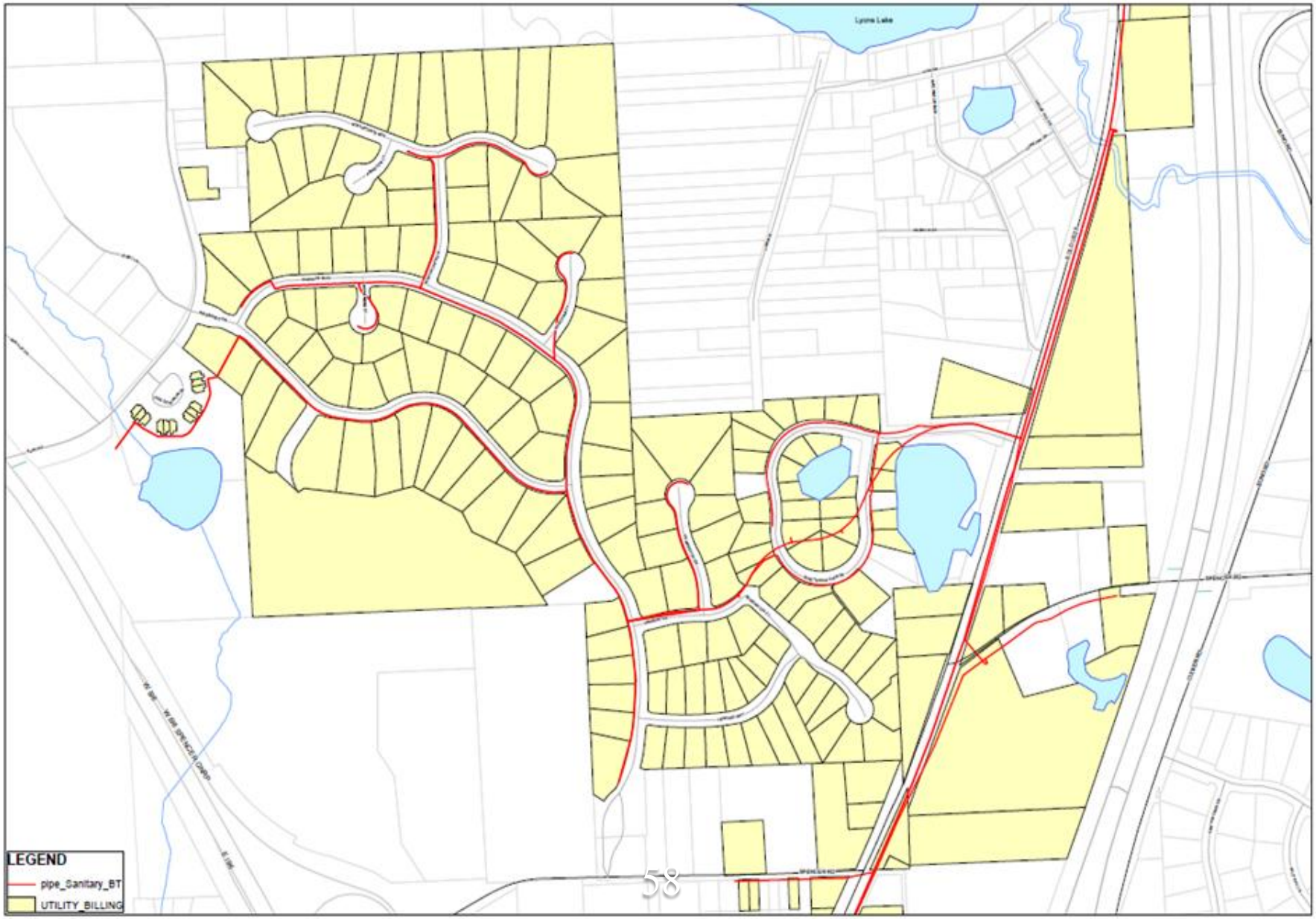
TAX ID #	Service Address	UTILITY BILLING Location ID	#REUs DEBT SERVICE	#REUs OPERATIONS & MAINTENANCE ***
11-13-404-001	7960 GRAND RIVER	GRAN-007960-0000-00	5	5
12-04-300-046	893 SOUTH OLD US HWY 23	OLUS-000893-0000-00	5	5
12-05-100-003	9595 ESTANCIA DR	ESTA-009595-0000-00	14	9
12-05-102-001	9938 DORNOCH TRL	DORN-009938-0000-00	1	1
12-05-102-002	9918 DORNOCH TRL	DORN-009918-0000-00	1	1
12-05-102-003	9900 DORNOCH TRL	DORN-009900-0000-00	1	1
12-05-102-004	9880 DORNOCH TRL	DORN-009880-0000-00	1	1
12-05-102-005	9860 DORNOCH TRL	DORN-009860-0000-00	1	1
12-05-102-006	9838 DORNOCH TRL	DORN-009838-0000-00	1	1
12-05-102-007	9814 DORNOCH TRL	DORN-009814-0000-00	1	1
12-05-102-008	9903 DORNOCH TRL	DORN-009903-0000-00	1	
12-05-102-009	9881 DORNOCH TRL	DORN-009881-0000-00	1	1
12-05-102-010	9865 DORNOCH TRL	DORN-009865-0000-00	1	
12-05-102-011	593 KAMPTON CT	KAMP-000593-0000-00	1	1
12-05-102-012	579 KAMPTON CT	KAMP-000579-0000-00	1	1
12-05-102-013	551 KAMPTON CT	KAMP-000551-0000-00	1	1
12-05-102-014	537 KAMPTON CT	KAMP-000537-0000-00	1	1
12-05-102-015	521 KAMPTON	KAMP-000521-0000-00	1	1
12-05-102-016	9753 DORNOCH TRL	DORN-009753-0000-00	1	1
12-05-102-017	9733 DORNOCH TRL	DORN-009733-0000-00	1	1
12-05-102-018	9713 DORNOCH TRL	DORN-009713-0000-00	1	1
12-05-102-019	9693 DORNOCH TRL	DORN-009693-0000-00	1	1
12-05-102-020	VACANT CAPITAL ONLY	VACA-001205-1020-20	1	
12-05-102-021	VACAANT-12-05-102-021	VACA-001205-1020-21	1	
12-05-102-022	9716 DORNOCH TRL	DORN-009716-0000-00	1	
12-05-102-023	9696 DORNOCH TRL	DORN-009696-0000-00	1	1
12-05-102-024	9676 DORNOCH TRL	DORN-009676-0000-00	1	
12-05-102-025	9656 DORNOCH TRL	DORN-009656-0000-00	1	1
12-05-102-026	VACA-471205-1020-26	VACA-001205-1020-26	1	
12-05-102-027	9423 DORNOCH TRL	DORN-009423-0000-00	1	1
12-05-102-028	9403 DORNOCH TRL	DORN-009403-0000-00	1	1
12-05-102-029	9383 DORNOCH TRL	DORN-009383-0000-00	1	1
12-05-102-030	9363 DORNOCH TR	DORN-009363-0000-00	1	1
12-05-102-031	9347 DORNOCH TRL	DORN-009347-0000-00	1	1
12-05-102-032	9335 DORNOCH TRL	DORN-009335-0000-00	1	1
12-05-102-033	9346 DORNOCH TRL	DORN-009346-0000-00	1	1
12-05-102-034	9358 DORNOCH TRL	DORN-009358-0000-00	1	1
12-05-102-035	9378 DORNOCH TRL	DORN-009378-0000-00	1	1
12-05-102-036	9400 DORNOCH TRL	DORN-009400-0000-00	1	
12-05-102-037	9420 DORNOCH TRL	DORN-009420-0000-00	1	
12-05-102-038	9438 DORNOCH TRL	DORN-009438-0000-00	1	
12-05-102-039	448 SHINNECOCK DR	SHIN-000448-0000-00	1	
12-05-102-040	434 SHINNECOCK DR	SHIN-000434-0000-00	1	

*** Operations and Maintenance is not billed until a parcel is dispensing sewage into the transmission line

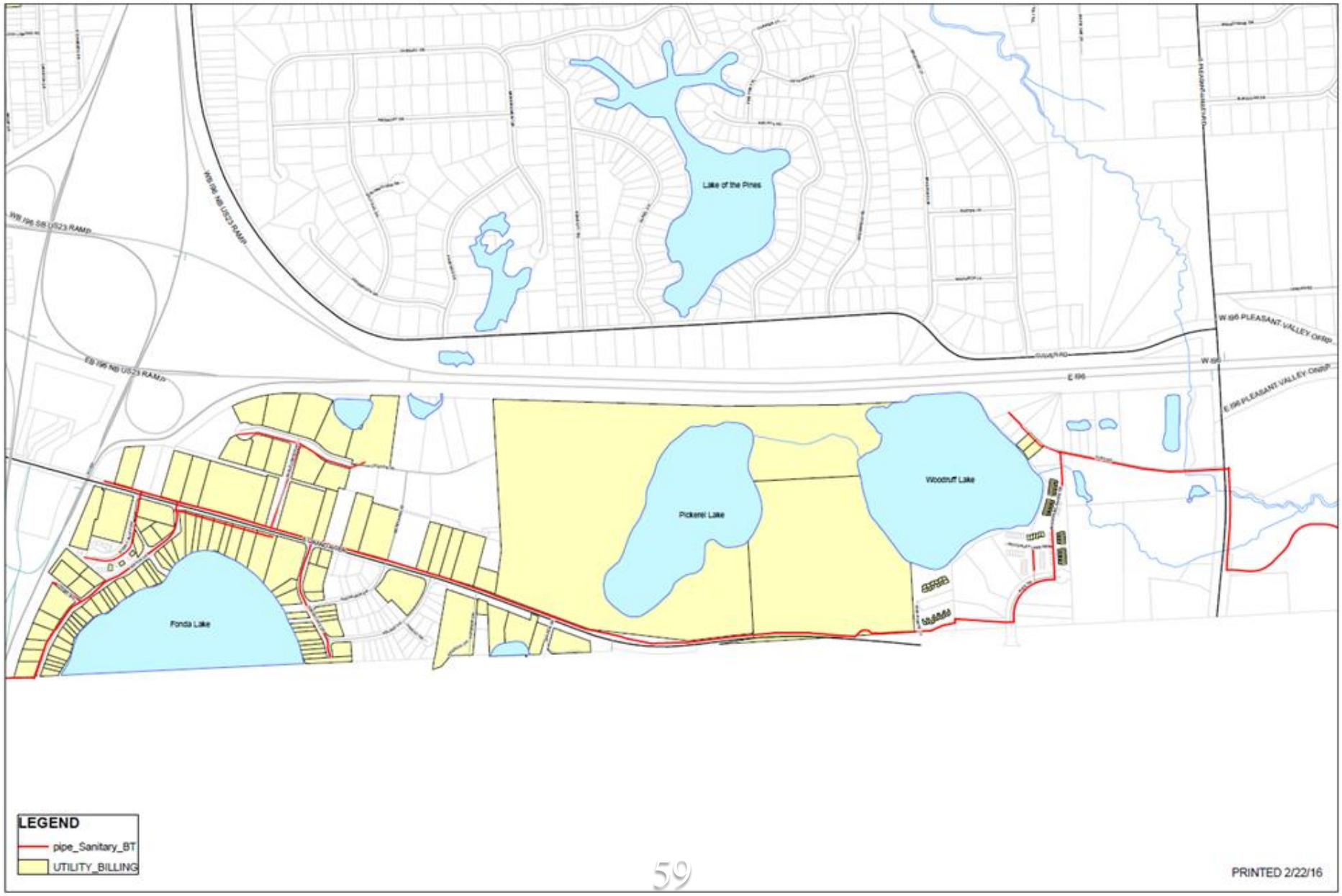
DEBT SERVICE UTILITY BILLING AS OF 2/10/2016



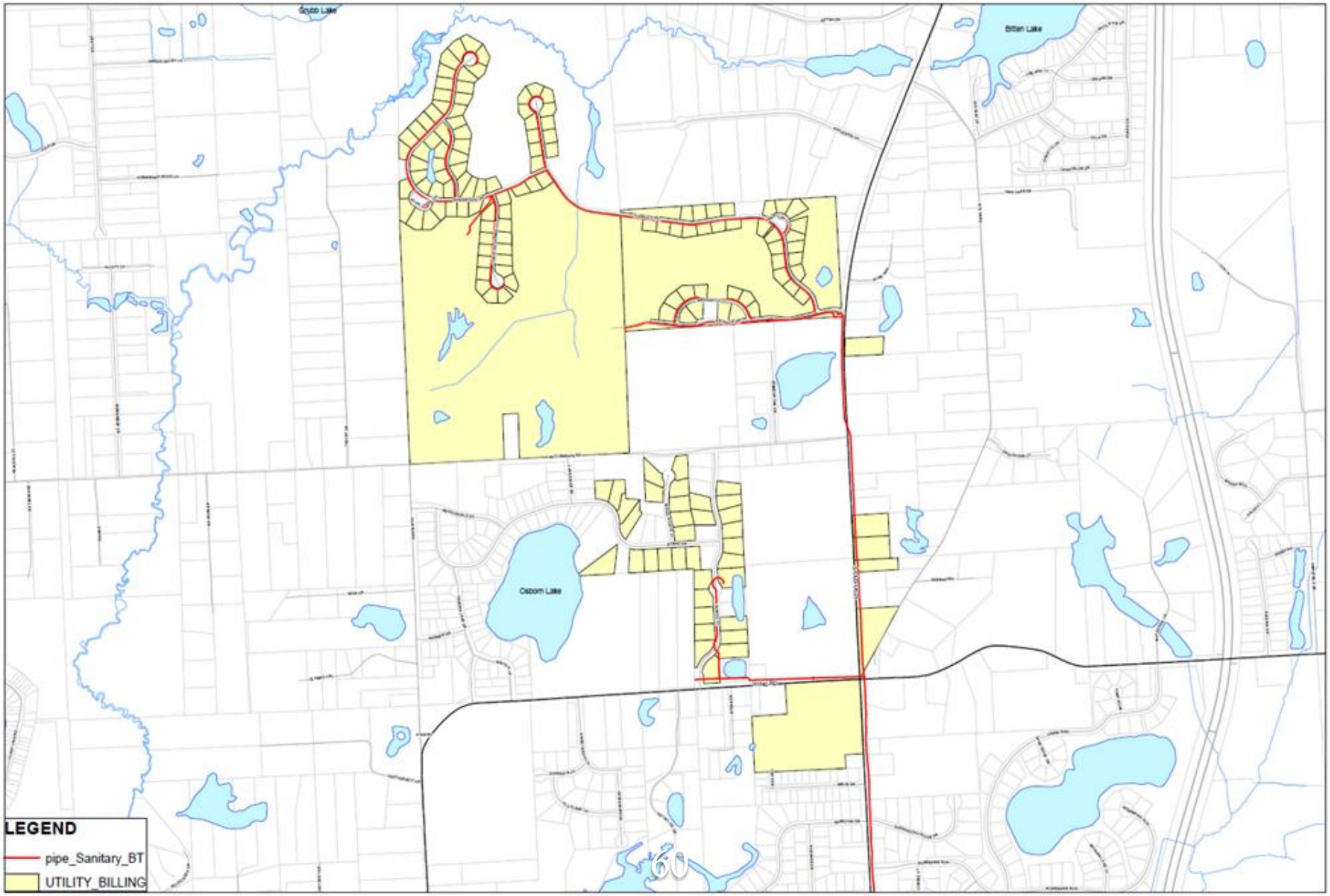
DEBT SERVICE UTILITY BILLING AS OF 2/10/2016
DOMINION AREA



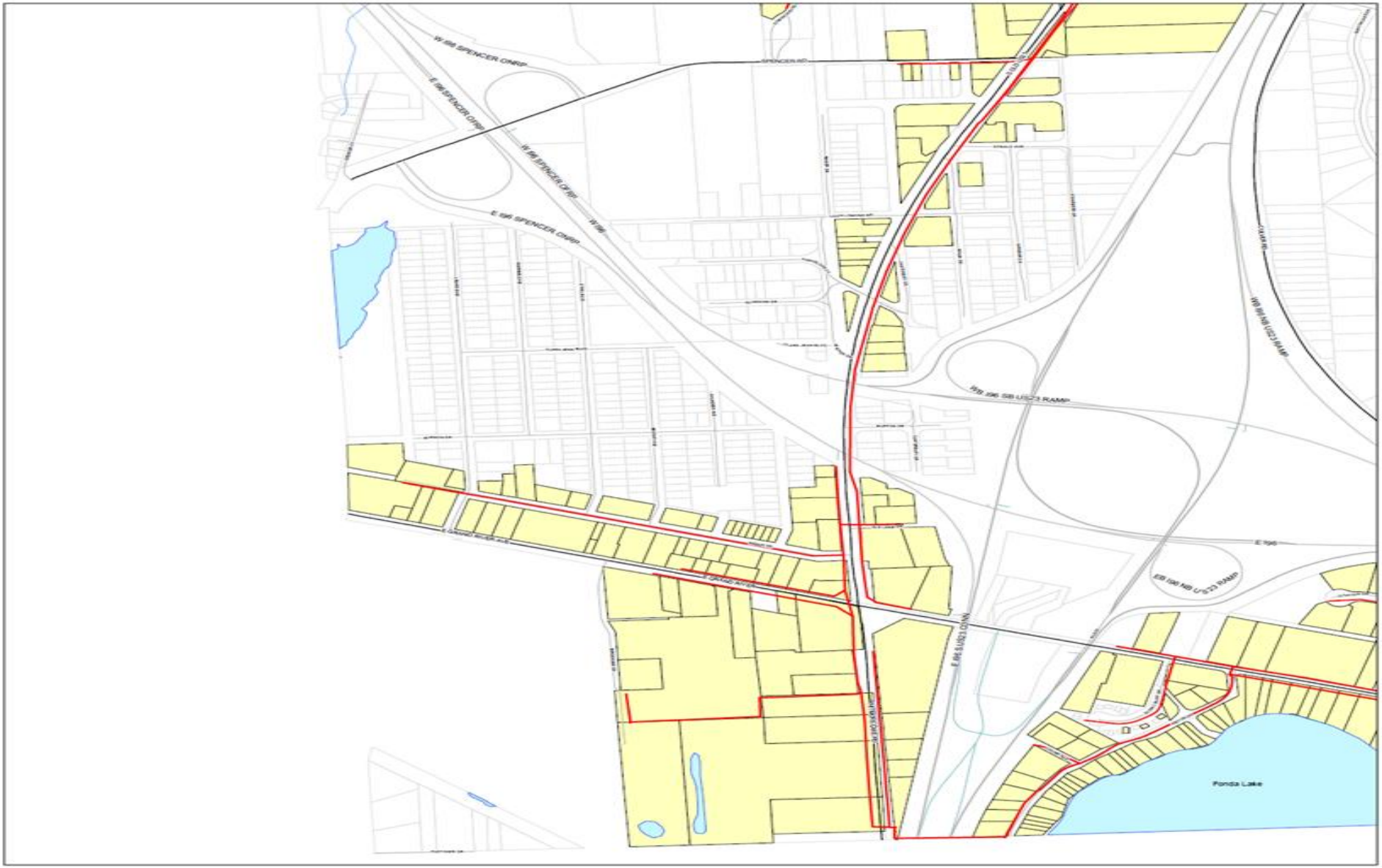
DEBT SERVICE UTILITY BILLING AS OF 2/10/2016
EAST GRAND RIVER/FONDA LAKE AREA



DEBT SERVICE UTILITY BILLING AS OF 2/10/2016
HUNTMORE/NORTHWINDS AREA



DEBT SERVICE UTILITY BILLING AS OF 2/10/2016
OLD US 23 HWY/GRAND RIVER AREA

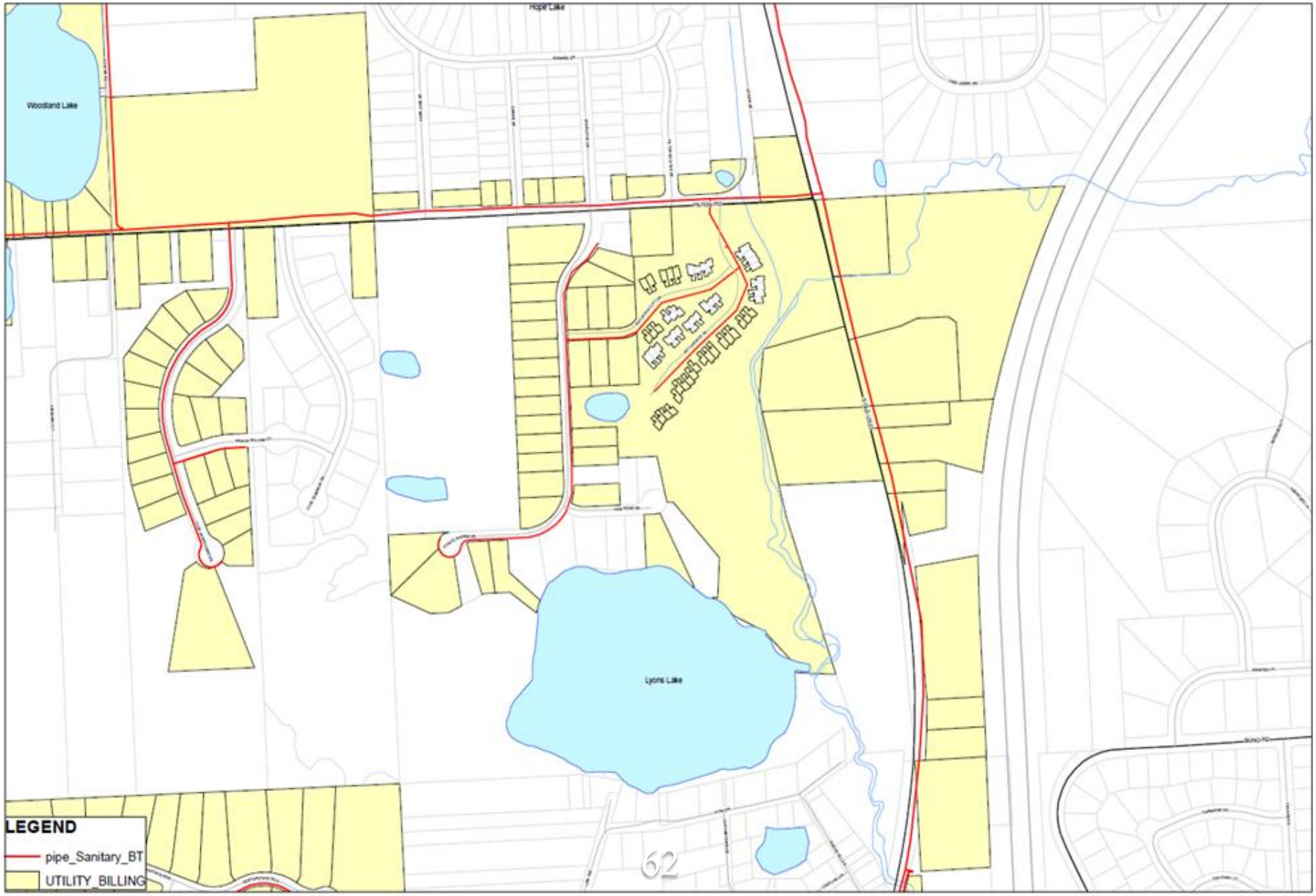


LEGEND

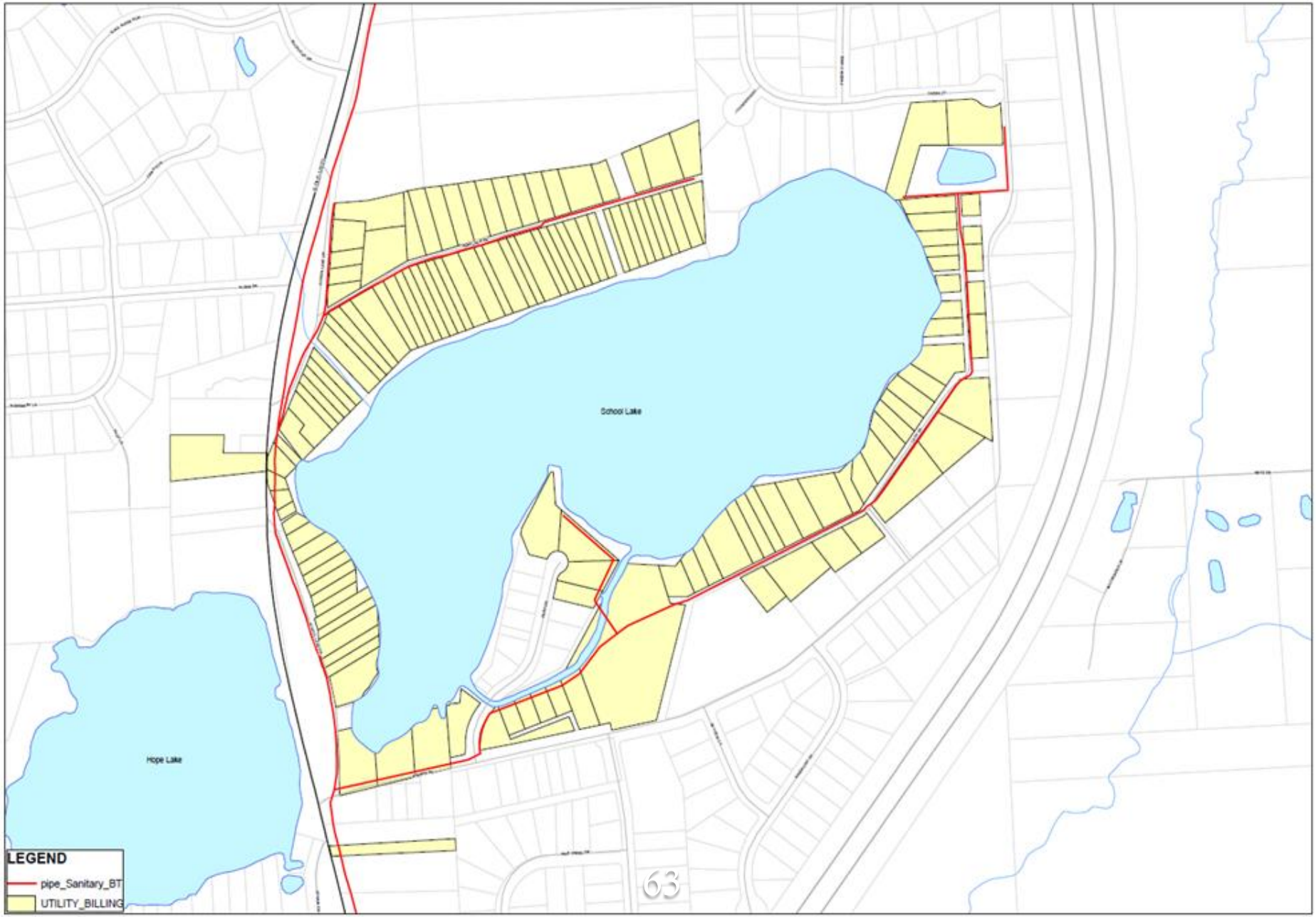
- pipe_Sanitary_BT
- UTILITY_BILLING

PRINTED 2/22/16

DEBT SERVICE UTILITY BILLING AS OF 2/10/2016
PENINSULA AREA



DEBT SERVICE UTILITY BILLING AS OF 2/10/2016
SCHOOL LAKE AREA



DEBT SERVICE UTILITY BILLING AS OF 2/10/2016
WOODLAND LAKE AREA

N

LEGEND

pipe_Sanitary_BT

UTILITY_BILLING

BRIGHTON TOWNSHIP SANITARY SEWER SYSTEM -- STATUS OF INDIVIDUAL DISTRICTS

District	Date of Hearing	Initiated by Board or Petitions	Estimated Cost per REU	Resolution by Board to Include Area in Sewer Project
Fonda Lake Area	September 7, 1999	Petition Initiated	$12,400	September 7, 1999
East Grand River	September 9, 1999	Board Initiated	$12,400	September 9, 1999
West Grand River	September 9, 1999	Board Initiated	$12,400	September 9, 1999
Woodland Lake Area	September 13, 1999	Petition Initiated	$12,400	September 13, 1999
Woodland Lake Estates No. 4	September 15, 1999	Board Initiated	$12,400	September 15, 1999
Transmission Access Area No. 1	October 7, 1999	Board Initiated	$12,700	October 7, 1999
School Lake Area No. 1	October 20, 1999	Petition Initiated	$15,000	October 20, 1999
Cades Cove/Park Drive (aka School Lake Area No. 2)	October 20, 1999	Board Initiated	$15,000	Not included in District by vote on October 20, 1999
Osborn Lake Area	October 25, 1999	Petition Initiated	$15,000	Not included in District by vote on October 25, 1999
Clark Lake Area (Partial Lake Area)	November 1, 1999	Petition Initiated	$12,400	Not included in District by vote on November 1, 1999
Ore Creek Estates	November 2, 1999	Letter by owners requesting sewer service	$15,000	November 2, 1999
The Dominion Area	December 7, 1999	Board Initiated	$TBD	December 7, 1999

December 21, 1999 Draft LA\57243.7 ID\ JPK

Christine and Margo Example

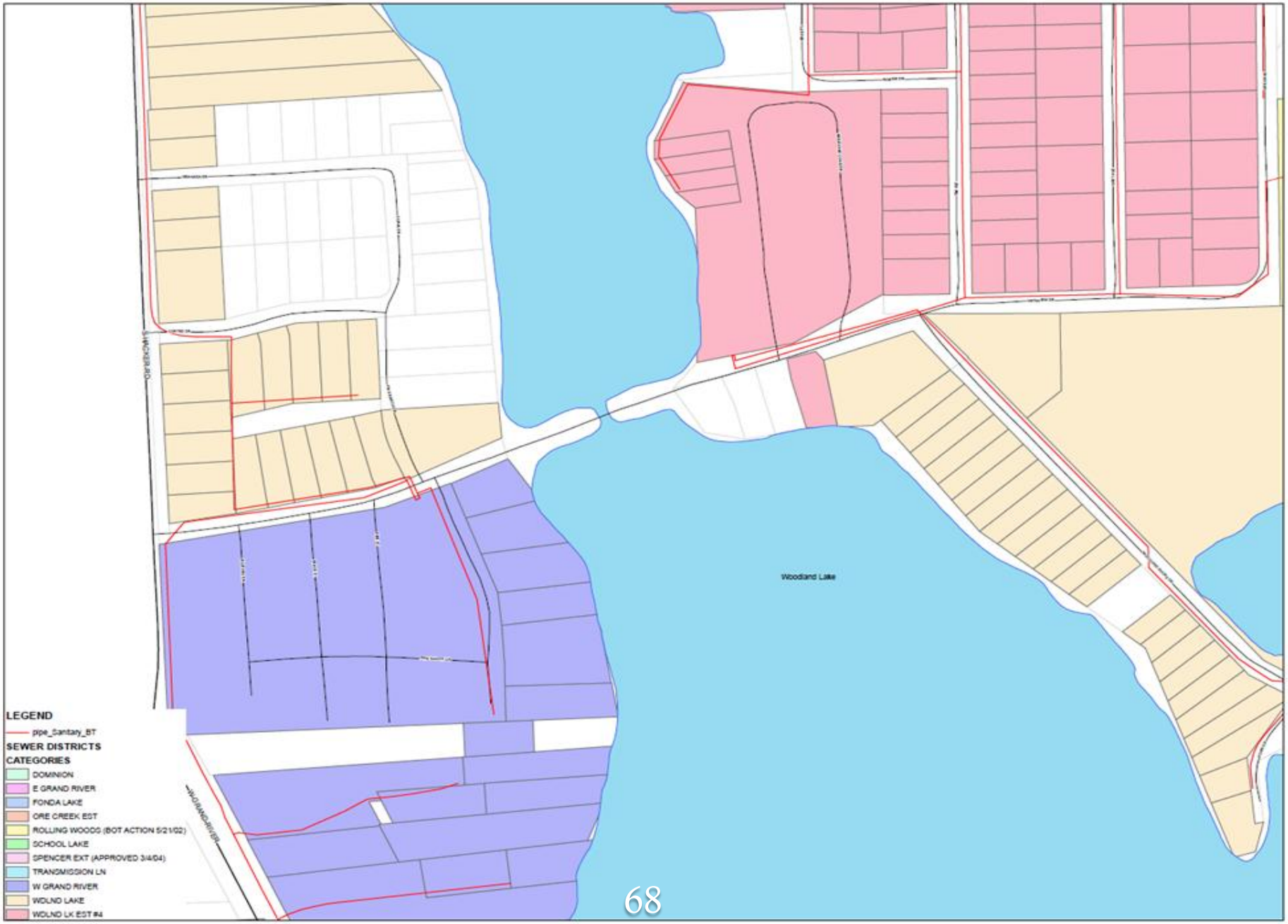
"Five (5) residential properties located along south Christine and Margo (in the Woodland Lake district) will not be provided sanitary sewer service as part of this project. These parcels were included in the Special Assessment District for the preliminary design study based on the assumption that they would be located within 200 feet of the proposed sanitary sewer. During the preliminary design, the proposed sanitary sewer route was adjusted so the new sanitary sewer is not located on South Christine. Therefore, these five (5) residential properties are not going to be within 200 feet of the new sanitary sewer, and they will not be provided sanitary sewer service. The Township should evaluate how the previous assessment for the preliminary design study should be handled for these properties."
-Page 27 of Phase 1 Study

Petition Results 7/30/99

District	Property Area of Signatures (Acres)	Area of Signatures (Acres)	Percentage of Signatures
East Grand River	N/A	111.747	N/A
West Grand River	N/A	233.000	N/A
Fonda Lake	17.297	31.240	55.4%
Lake of the Pines	12.474	119.005	10.5%
Woodland Lake	220.096	331.242	66.4%
Clark Lake	8.641	27.326	36.0%*
Woodland Lake Estates #4	5.930	37.740	15.7%*

* Petitions were still being circulated at that time.

BRIGHTON TOWNSHIP SANITARY SEWER SYSTEM
DETAILED EXAMPLE SHEET



BRIGHTON TOWNSHIP SANITARY SEWER SYSTEM
DETAILED EXAMPLE SHEET

Transmission Lines

"The transmission sewer along Old US-23 north of Hilton Road to the Ore Creek Estates will be sized only to handle the sewer customers within the Ore Creek Estates Planned Development and within the School Lake sewer district area. The proposed transmission sewer along Old US-23 north of Hilton Road will not have sufficient capacity to handle any additional sewer users other than sewer users within the Ore Creek Estates Planned Development and within the School Lake sewer district area."

-Page 4 Sanitary Sewer System Policies

Transmission Lines Cont.

"The forcemain sections of the transmission sewer (associated with pumping stations 1 and 3) would not be available for direct connection. The forcemain section associated with pumping station 2 is available for direct connection."

-Page 20 Sanitary Sewer System Policies

Are Any Township Officials on the Sewer System?

2016

- No current Board Members are on the sewer system.
- There are three (3) members of the Utilities Committee currently on the sewer system.

2000-2001

- One (1) Board member was on the sewer system during this period.
- There were three (3) members of the Utilities Committee on the sewer system during this period.

Required Connections

State Law

Act 368 of 1978, Section 12573 (1) states: "Structures in which sanitary sewage originates lying within the limits of a city, village, or township shall be connected to an available public sanitary sewer in the city, village, or township if required by the city, village, or township."

Township Ordinance

Sec. 22-07 - Connection is required of a failed septic system when:

1. Contiguous Property
2. Available Capacity
3. Meets Pressure Demands

Financial Related

What is the Current Bond Debt on the Sewer System?

The PFM Group
Financial & Investment Advisors

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

$7,900,000
BRIGHTON TOWNSHIP SANITARY SEWER DRAINAGE DISTRICT
COUNTY OF LIVINGSTON, STATE OF MICHIGAN
BRIGHTON TOWNSHIP SANITARY SEWER DRAINAGE DISTRICT REFUNDING BONDS, SERIES 2015
(GENERAL OBLIGATION - LIMITED TAX)
FINAL - PRICED AUGUST 25, 2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2016			136,933.33	136,933.33	
10/01/2016	1,620,000	4.000%	126,400.00	1,746,400.00	1,883,333.33
04/01/2017			94,000.00	94,000.00	
10/01/2017	1,625,000	** %	94,000.00	1,719,000.00	1,813,000.00
04/01/2018			77,500.00	77,500.00	
10/01/2018	1,580,000	4.000%	77,500.00	1,657,500.00	1,735,000.00
04/01/2019			45,900.00	45,900.00	
10/01/2019	1,560,000	2.000%	45,900.00	1,605,900.00	1,651,800.00
04/01/2020			30,300.00	30,300.00	
10/01/2020	1,515,000	4.000%	30,300.00	1,545,300.00	1,575,600.00
	7,900,000		758,733.33	8,658,733.33	8,658,733.33

Total Liabilities

- Total Liabilities – Loans/Bonds/AP: $9,931,000
- Total does not include interest.

CHARTER TOWNSHIP OF BRIGHTON
SEWER DEBT SERVICE FUND (ORIGINAL DISTRICT #592)
SUMMARY OF BALANCE SHEET ACCOUNTS
AS OF 9/30/15

	AMOUNT	
ASSETS		
CASH	1,726,079	
DEBT SERVICE CHARGE RECEIVABLE	222,934	
ASSESSMENTS RECEIVABLE	3,785,201	
DUE FROM COUNTY - DELINQUENTS	0	
DUE FROM SEWER O & M FUND	43,615	
TOTAL ASSETS AVAILABLE TO PAY DEBT	5,777,829	(A)
FIXED ASSETS		
LAND	1,395,224	
SEWER SYSTEM	30,269,117	
ACCUM. DEPRECIATION	(10,496,687)	
TOTAL FIXED ASSETS - NET	21,167,654	
TOTAL ASSETS	26,945,483	
LIABILITIES - LOANS/BONDS/AP		
ACCOUNTS PAYABLE	0	
BONDS PAYABLE (2015 REFI)	7,900,000	
LOAN FROM GENERAL FUND #1 - 2004	431,000	
LOAN FROM GENERAL FUND #2 - 9-15-2012	1,200,000	
LOAN FROM GENERAL FUND #3 - 9-7-2013	200,000	
LOAN FROM GENERAL FUND #4 - 12-10-2013	200,000	
DUE TO SEWER O & M	0	
DUE TO G/F INTEREST ON LOAN	0	
TOTAL LIABILITIES - LOANS/BONDS/AP	9,931,000	(A)
LIABILITIES - OTHER		
BOND PREMIUM - AMORTIZED OVER LIFE OF BONDS	462,088	
TOTAL LIABILITIES	10,393,088	
EQUITY		
FUND BALANCE	16,552,395	
TOTAL LIABILITIES & EQUITY	26,945,483	

(A) APPROXIMATELY $4.2M UNFUNDED AS OF 9/30/15

Why are the Sewer System Costs Not Shared by the Entire Township?

- The Township originally created the Sewer Fund to be an enterprise fund.
- **Enterprise Fund** – A fund established to finance and account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. Examples of enterprise funds are those for water, gas and electric utilities, sports facilities, airports, parking garages and transit systems.

What is the Difference Between the Debt and User Charges?

- **Debt Service Charge**: The charges levied to a User and/or potential User who has purchased an REU, to pay principal, interest and administrative costs of retiring the debt incurred for construction of the System.
- Current Debt Service Charge rate is $80.50 per REU per quarter.
- **User Charge**: A charge levied on Users of the System for the cost of operation and maintenance of the System (sometimes referred to as "O&M Charge"), and includes the cost of repair and replacement of the equipment.
- Current User Charge rate is $95.50 per REU per quarter.

Under What Authority has the Township Imposed the Debt Charge?

The source of the Township's authority is from Section 490(4) of Chapter 20 of the Drain Code: *"In place of or in addition to levying special assessments, the public corporation, under the same conditions and for the same purpose, may exact connection, readiness to serve, availability, or service charges to be paid by owners of land directly or indirectly connected with the drain project, or a combination of projects, subject to section 489a."*

How Much has a Property Owner Paid Toward SAD/Debt Service?

For a sample property located on Woodland Shore Drive:

Principal (including future billings)	$12,400
Debt Service Charge*	$ 4,317
Sub Total	$16,717
Interest (including future billing interest)	$ 7,361
Total	$24,078

*Debt Service payment at current rate through 10/1/2020

Do New Users Pay the Same Hook-Up Fees as Original Users?

Original Users

In general, original users paid $12,400 or $12,664 for the Sewer Tap Fee for the first REU. The original SAD charge of $12,400 consisted of three components: a capacity charge for treatment, a transmission charge and a local collector sewer charge. The extra $264 was a design study charge.

New Users

New users pay $10,260 for the Sewer Tap Fee for the first REU. Additionally, new users pay on average $9,343 for the Sewer Connection Fee plus the cost of the local collector system if applicable.

Current Sewer Fees

- **Sewer Tap Fee:** The cost to purchase the right to tap into the System and is measured in whole REUs. The Sewer Tap Fee and the administrative policies adopted by the Township for new Users connecting to the existing System, and existing Users expanding the number of REUs for their Property, shall be determined by action of the Township Board.
- Current Tap Fee is **$10,260** per REU. A single family home is 1 REU.
- **Sewer Connection Fee:** The charge levied to a User who has purchased one or more REUs, to physically connect the Property to the System.
- Current Connection Fee averages **$9,343** plus the cost of a local collector system if applicable.

The current financial projections for the sanitary sewer system were presented including the need to reevaluate the number of near-future hook-ups, the status of outstanding issues relative to the sanitary sewer construction including the reconstruction of Old US 23 and the SBG lawsuit on delay claims, and options for meeting financial obligations. Alternatives discussed included increasing the capital charges and/or the Transmission and Treatment connection fees. These connection fees will be revised to include a fixed annual percentage increase. The manager will work with Mr. Harris and the sewer committee to determine need to revise the Ordinance.

Post Construction Finances

Minutes from 4/25/03

DISCUSSION OF FINANCIAL STATUS OF SEWER FUND

Manager provided overview of activities to date. Discussion included current status of sewer customers in relation to projected number of hook ups, impact of current customer type vs. projected type (percentage of collection system hook-ups vs. transport & treat customers), and shortfall of collections for capital charges. P. Stauder provided projection of financial solvency of sewer fund. Recommendations included consideration of increase in capital charges, tap-in fees, and/or O & M fees. Engineer to review assessment roll to determine discrepancy in projected vs. actual number of REU's. Manager directed to research O&M costs to date and prepare report to determine additional need to increase quarterly O&M charges in addition to increase in quarterly capital charges. Clerk to research ordinance and determine timeline and publishing requirements relative to rate increases.

Post Construction Finances

Minutes from 6/3/03

DISCUSSION WITH CONSULTANTS REGARDING PUBLIC INFORMATION MEETING ON SEWER FUND STATUS AND PROPOSED RATE INCREASE

Manager and Supervisor presented overview of activities to date and initiated discussion regarding forum for information meeting. Discussion included notation of some of the original assumptions including original capital charge was less than necessary in order to get support for the original project; projected REU's were based on anticipated growth which was never realized due to economy; Deer Creek and Ore Creek were included in original REU numbers but were later not included in any districts; 40 – 50% of future projected customers were assumed to pay access charges when in reality only 10% of current customers paid the access charge. It was suggested that all previous assumptions should be documented.

Post Construction Finances

Minutes from 8/4/03 (1:00 PM)

Trustee Prine introduced draft action items for future consideration by the BTBT to make up for shortfall in the sewer fund. The draft action items included actions to guarantee system is operated at the lowest possible cost and to proactively identify additional customers and new users. Specific activities included the hiring of an outside auditor to conduct a rate study, quarterly financial review meetings, identification of potential cost-savings measures at WWTP, deferment of capital replacement expenditure for one year, annual review of operations and capital funding needs, review of properties included/excluded in original sewer districts, review options to impose mandatory hook-ups, and identification of potential future service areas.

Post Construction Finances

Minutes from 8/4/03 (7:00 PM)

Why do Gravity Users Pay the Same as Grinder Users?

"All properties, whether they are served by a gravity sewer or a low pressure/grinder pump sewer, shall be considered equivalent when distributing costs with exception of the properties served by the transmission sewer along Old US-23 north of the School Lake service area."

- Page 15 of Sanitary Sewer System Policies

Sewer Cost Comparisons Summary

Municipality	Start-Up Costs	Quarterly
Brighton Township	$10,260	$176
Hamburg Township	$5,100	$155.50
Lyon Township	$12,864	$119.25
Green Oak Township	$4,500	$90
Hartland Township	$8,467.89	$207.65
Howell Township	$4,600	$188.31
Brighton City	$7,198	$155.22/$174.72
Milford Village	$3,500	$171.5
Fowlerville	$5,300	$121.74
Howell City	$3,000	$128/$148.25
Genoa Township	$7,000	$110.49-$201.76
Oceola Township	$7,000	$110.49

Date: 12/21/2015

Assessment Roll and Audit

- *Question: Does the Township prepare an annual assessment roll?*
- Answer: Yes. The Assessor prepares a summary of all SAD's in the Township and submits that information to the County. The backup/detailed report is maintained in the Assessor's office.
- *Question: Does the Township have an outside consultant perform an audit of the sewer system?*
- Answer: Yes. The Township auditor performs this task on an annual basis. This report is posted on the Township website.

What are the Environmental Health Benefits of a Sewer System?

Excerpt from page 7 of the WWTP permit response from MDEQ:

What are the disadvantages of Brighton Township continuing to be served by only septic systems? Areas of high septic system concentration can be associated with an increased incidence of well water contamination by nitrates and coliform bacteria. Nearby surface water may also be contaminated by failing septic systems. Septic systems have finite life spans and smaller properties may limit the ability to replace or upgrade a failed system.

LC Health Department

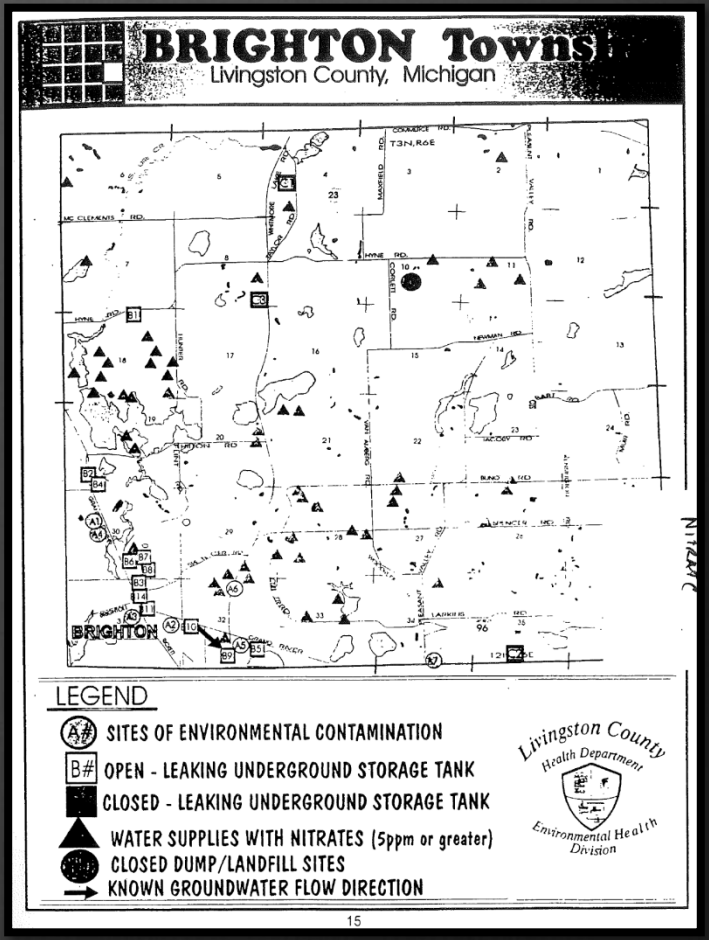
"The LCHD has recommended sanitary sewers be installed in the Woodland Lake Estates No. 4 subdivision in a LHDC document dated March 1, 1999."

-MPS Letter 8/3/1999

NITRATES, GROUNDWATER and YOU:

Nitrates can enter into the groundwater through septic systems, barnyard runoff, excessive fertilization or through its natural presence in the soil. Shallow wells that lack clay protection or grouting are the most vulnerable to nitrate contamination. The primary health concern with nitrates is that large amounts of nitrate in drinking water can cause a disease called Methemoglobinemia, a blood disorder primarily affecting infants under six months of age. The technology for removal of nitrate from drinking water does exist. Reverse osmosis, ion exchange and distillation are three possible methods. However, the LCHD does not approve of a water treatment device to remove nitrates until a new well is drilled to a deeper and/or more protected (i.e., clay lens protection) aquifer that has nitrate free water. This approach is a much better long term solution to the problem than a point of use water treatment device.

Elevated nitrates can also be and indicator that an aquifer is not protected and may be vulnerable to other sources of contamination such as leaking underground storage tanks, Act 201 sites, dumps and landfills.



MPS Responses to Homeowners' Questions

12. The useful life of a septic tank and drainfield system is dependent on the type of on-site soils, ground water conditions as well as the maintenance of the system. As a result, it is difficult to estimate the useful life of a septic tank / drainfield system. From our experience with the Livingston County Health Department, the useful life of a well-maintained septic tank / drainfield system can be as low as five (5) years and as high as twenty (20) years. A well-maintained drainfield in good soils and no high ground water conditions could be expected to last over twenty (20) years. The normal useful life of a septic system is difficult to estimate since a drainfield is a consistently failing treatment system.

MPS Responses to Homeowners' Questions Cont.

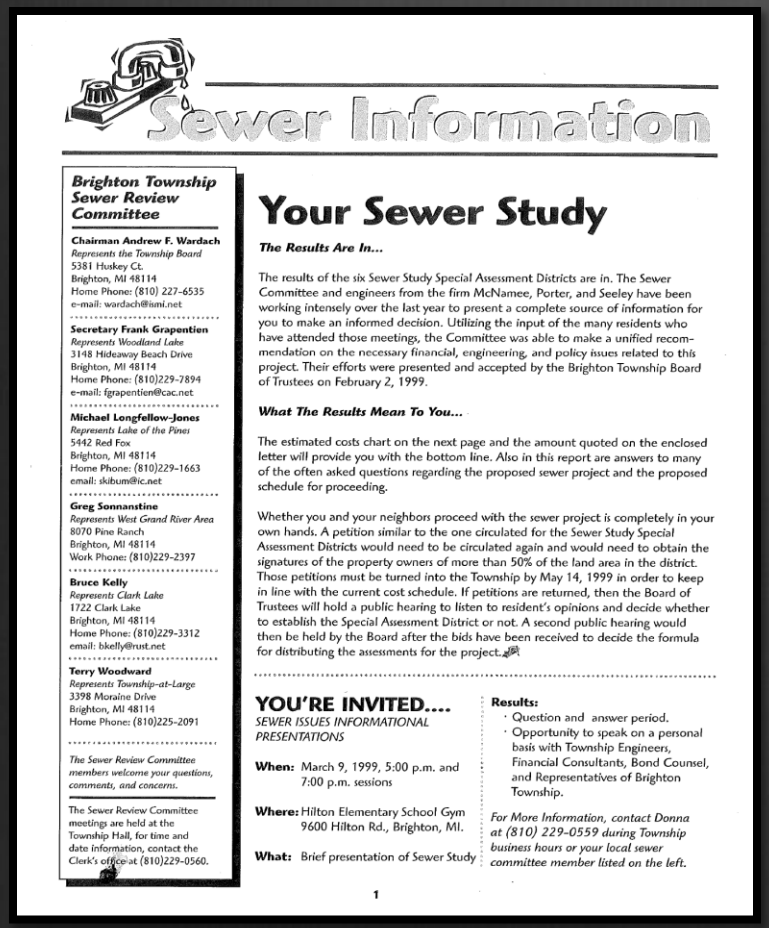
13. A septic tank is anticipated to remove approximately fifty (50) percent of the pollutants with the drainfield providing additional treatment as the sewage flows move through the drainfield. The proposed wastewater treatment plant will remove up to ninety-five (95) percent of the pollutants. The wastewater treatment plant will be monitored on a daily basis and will be required to meet the discharge limits established by the Michigan Department of Environmental Quality. There is no such monitoring on on-site septic tank / drainfield systems.

Water Testing

- *Question: Does the Township have any information or analysis on the water quality for Woodland Lake and other areas?*
- Answer: The Township had water quality studies done from 1994-2004 on multiple lakes that were completed for the Lakes Committee. Woodland Lake received a grade of "B' on average, but did receive numerous grades of "D" and "E" (below average and failing respectively). Other water quality information can be viewed by visiting the U.S. Geological Survey website and the Michigan Clear Water Corps website.

Key Communications

February 1999 FAQ



Sewer Information

Brighton Township Sewer Review Committee

Chairman Andrew F. Wardach
Represents the Township Board
5381 Huskey Ct.
Brighton, MI 48114
Home Phone: (810) 227-6535
e-mail: wardach@ismi.net

Secretary Frank Grapentien
Represents Woodland Lake
3148 Hideaway Beach Drive
Brighton, MI 48114
Home Phone: (810)229-7894
e-mail: fgrapentien@cac.net

Michael Longfellow-Jones
Represents Lake of the Pines
5442 Red Fox
Brighton, MI 48114
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email: skibum@ic.net

Greg Sonnanstine
Represents West Grand River Area
8070 Pine Ranch
Brighton, MI 48114
Work Phone: (810)229-2397

Bruce Kelly
Represents Clark Lake
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Brighton, MI 48114
Home Phone: (810)229-3312
email: bkelly@rust.net

Terry Woodward
Represents Township-at-Large
3398 Moraine Drive
Brighton, MI 48114
Home Phone: (810)225-2091

The Sewer Review Committee members welcome your questions, comments, and concerns.

The Sewer Review Committee meetings are held at the Township Hall, for time and date information, contact the Clerk's office at (810)229-0560.

Your Sewer Study

The Results Are In...

The results of the six Sewer Study Special Assessment Districts are in. The Sewer Committee and engineers from the firm McNamee, Porter, and Seeley have been working intensely over the last year to present a complete source of information for you to make an informed decision. Utilizing the input of the many residents who have attended those meetings, the Committee was able to make a unified recommendation on the necessary financial, engineering, and policy issues related to this project. Their efforts were presented and accepted by the Brighton Township Board of Trustees on February 2, 1999.

What The Results Mean To You...

The estimated costs chart on the next page and the amount quoted on the enclosed letter will provide you with the bottom line. Also in this report are answers to many of the often asked questions regarding the proposed sewer project and the proposed schedule for proceeding.

Whether you and your neighbors proceed with the sewer project is completely in your own hands. A petition similar to the one circulated for the Sewer Study Special Assessment Districts would need to be circulated again and would need to obtain the signatures of the property owners of more than 50% of the land area in the district. Those petitions must be turned into the Township by May 14, 1999 in order to keep in line with the current cost schedule. If petitions are returned, then the Board of Trustees will hold a public hearing to listen to resident's opinions and decide whether to establish the Special Assessment District or not. A second public hearing would then be held by the Board after the bids have been received to decide the formula for distributing the assessments for the project.

YOU'RE INVITED....
SEWER ISSUES INFORMATIONAL PRESENTATIONS

When: March 9, 1999, 5:00 p.m. and 7:00 p.m. sessions

Where: Hilton Elementary School Gym 9600 Hilton Rd., Brighton, MI.

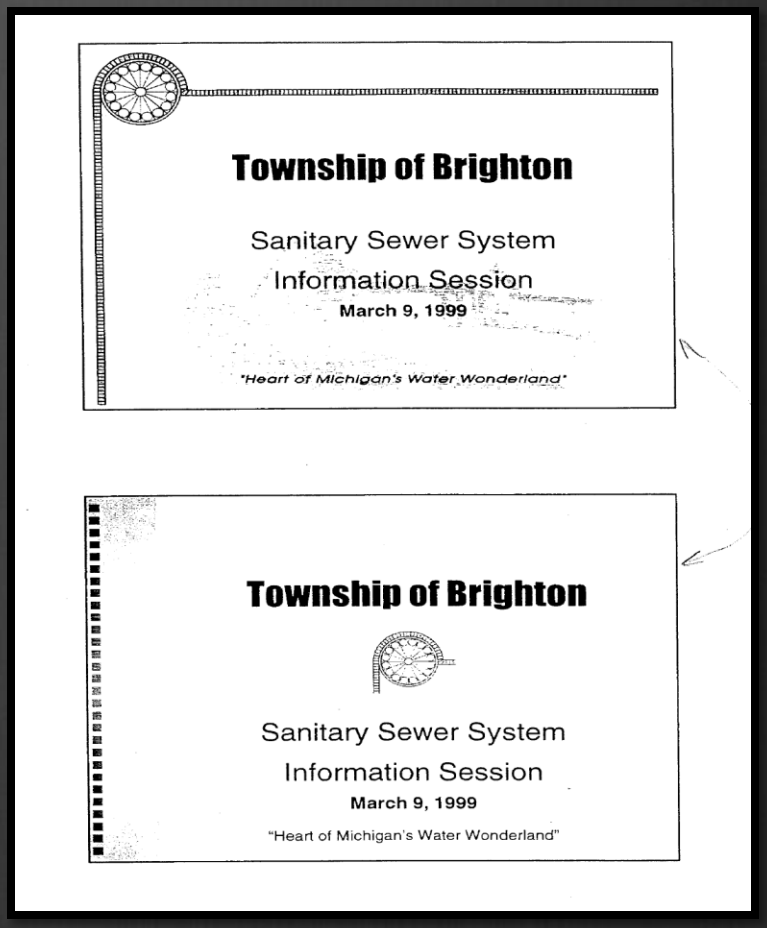
What: Brief presentation of Sewer Study

Results:
- Question and answer period.
- Opportunity to speak on a personal basis with Township Engineers, Financial Consultants, Bond Counsel, and Representatives of Brighton Township.

For More Information, contact Donna at (810) 229-0559 during Township business hours or your local sewer committee member listed on the left.

1

March 1999 Meeting



Township of Brighton

Sanitary Sewer System
Information Session
March 9, 1999

"Heart of Michigan's Water Wonderland"

Township of Brighton

Sanitary Sewer System
Information Session
March 9, 1999

"Heart of Michigan's Water Wonderland"

Key Communications

MINUTES

CHARTER TOWNSHIP OF BRIGHTON
BOARD OF TRUSTEES
4363 BUNO ROAD
BRIGHTON, MI 48114

AUGUST 4, 2003
SPECIAL MEETING
7:00 P.M.
810.229.0560

Supervisor J. Rogers called the meeting to order at 7:00 P.M. The Pledge of Allegiance was said.

Present: J. Rogers, Supervisor; A. Bollin, Clerk; G. Harmon, Treasurer; M. Sullivan, Trustee; M. Slaton, Trustee; B. Prine, Trustee; K. Wilkinson, Trustee.

Also present: Marcia Strong, Manager; Jon Pfeffer, Ken Palka, Pfeffer, Hanniford & Palka; Jim Kiefer, Dykema Gossett; Paul Stauder, Stauder, Barch & Associates, Inc.; Joe Moore, TTMPS.

CALL TO THE PUBLIC
No Response.

AGENDA
The agenda stood unamended.

Supervisor Rogers introduced township professional consultants and advised audience of meeting format.

John Pfeffer, Pfeffer, Hanniford & Palka, Auditor, explained role of the auditor and referenced the Comments & Recommendations from the 2001 audit regarding probable shortfalls in sewer fund. He was excused due to a prior scheduling commitment.

Paul Stauder, Stauder, Barch & Associates, Inc., Financial Consultant, provided a summary report of the financial consultant's role including analysis of financial implications of various alternatives. In late 2002, he was requested to do financial review of the system to date.

Joe Moore, TTMPS, Township Engineer, provided background on the design of the sewer project and overview of factors currently contributing to the financial shortfall in the sewer fund including, but not limited to, fewer users than projected; construction costs increased 15 to 20% from the time of the study until the time of construction; and the WWTP was oversized to handle future connections which resulted in a lower cost to the initial districts.

Jim Kiefer, Dykema Gossett, Bond Attorney, explained his role of assuring that the bonds were sold in accordance with State law and responded to questions raised in letter dated 7-30-03. He also advised of ramifications if Township defaulted on the bonds.

Marcia Strong, Manager, explained Operation and Maintenance waivers and tax deferrals. She also explained that the Clark Lake and Lake of the Pines were in the original projections but did not turn in final petitions to become part of the sewer district. Explained the 200-foot exception.

Page 1 of 3
Charter Township of Brighton
Minutes, August 4, 2003- Approved September 12, 2003

John Pfeffer, Pfeffer, Hanniford & Palka, Auditor,

Paul Stauder, Stauder, Barch & Associates, Inc.

Joe Moore, TTMPS, Township Engineer,

Jim Kiefer, Dykema Gossett, Bond Attorney,

Marcia Strong, Manager,

SEPTEMBER 2004

Charter Township of Brighton
Frequently Asked Questions
Water & Sewer Utilities Master Plan

1. What is a Utilities Master Plan?
A master plan is a planning tool that is used as a guide to help assist communities or agencies with their planning and policy decision making processes. Utilities refers to water and sewer in Brighton Township and is a general reference term in the private and public sector for all types of utilities -- water, sewer, gas, electric, cable, etc. In our township, we are referring to only water and sewer utilities.

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It defines the area to be serviced by the public utility --- in the township's case that means sewers or water.

7. How are the service districts determined?
The districts are determined based upon the availability of the service and/or the area requesting to be served.

8. Do we currently have public water and sewer?
Yes, portions of the township have public sewer and public water. Some areas are serviced by community wells.

9. Are you going to force sewers on us?
Some people will feel it is. Even when the majority of property owners want a particular service, the minority that was opposed will feel that it was shoved down their throats.

10. When did we get public sewer and water?
In the mid-to late '90's the township was approached by groups of residents that wanted public sewers. The groups circulated petitions to determine support of such an initiative. Several areas were approached, mostly areas around lakes, in an effort to determine support. The initial petitions showed enough support for the township to proceed with cost estimates and a preliminary design study to allow the affected residents to better evaluate whether they were interested in pursuing sewers in their area. Once the cost estimates were received, several of the areas opted out while others requested the township to continue. The sanitary sewer system was designed and built and became operational in 2002.

Areas that are currently served by a public water system are served by the City of Brighton through a negotiated agreement between the township and the city which was a result of an

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14. What is an REU?
It stands for Residential Equivalency Unit. It is an industry standard that is used to measure the amount of wastewater normally generated by a single family home.

15. Will sewers be forced on the entire township?
No. There is not enough capacity in the system and it would be contrary to the adopted Future Land Use Plan which envisions a community that is only partially sewered. Further, the wastewater treatment plant has a capacity of 2,700 REU's (Residential Equivalency Units). A single family residence would typically be assigned one (1) REU. There are approximately 9,000

18. If you are not going to force people to hook up and the sanitary sewer fund obligations need to be met; what are you going to do to make sure they are met?

The township is obligated to keep the township financially solvent. The original financial plan anticipated the sale of approximately 80 REUs per year over and above the 1756 sold to create the initial assessment district. In the 2.25 years since the system became operational 154 REUs have been sold, approximately 30 fewer than expected. This has been due to the overall slump in the economy. The township has seen an increase in construction activity and expects that to continue. If sufficient new customers do not purchase capacity in the system, the township will not be able to make the bond payments from the sewer fund and the general fund will need to make those payments. The general fund could not and should not assume this responsibility on a long term basis.

In 2003 the township adopted an action plan to guide the resolution of this potential financial problem. The board

- Raised quarterly rates for existing customers
- Loaned $214,832 to the sewer operations and maintenance fund
- Loaned $431,000 to the sewer debt service fund
- Identified areas for operational cost reduction
- Required a quarterly financial review by an outside firm of the sewer funds so that problems can be dealt with in a timely manner
- Required the preparation of a Utilities Master Plan
- Required new developments close to the sewer system to connect to it
- Created, at property owner request, a new sewer district at Old U.S. 23 and Spencer Road
- Monitored REU sales to determine if sales are sufficient to meet future bond payments.

Sewer Action Plan – 2004

- Provide Actions to ensure System is operated at the lowest possible cost.
- Proactively identify additional customers and new users.
- Township to provide periodic system status reports to sewer system customers.

ACTION PLAN FOR SANITARY SEWER SYSTEM

Nov. 3, 2004 update

A. Provide Actions to ensure System is operated at the lowest possible cost.

- Township Board to hire an outside auditor to conduct an Operations and Maintenance Rate Analysis to verify costs associated with O & M including possible rate scenarios, Review of the Debt Service Fund, & to assist with the preparation of budgets.
- Meet quarterly with the Auditor to review their findings, implement recommendations, and monitor the action plan.
- With Infrastructure Alternatives, identify potential cost saving alternatives relative to Plant Operations and Maintenance costs for review by Sewer Committee and recommendation to the Township Board for implementation.
- Township Board to defer for one year the Capital Replacement set aside. Review this item annually for additional deferral recommendations from the auditors. Township Board to explore loaning the necessary funds from the General Fund to the Sewer Fund if shortfalls are experienced.
- Township Board will annually review the total operations and capital funding needs including any previous loans before setting O & M quarterly rate for the next year. Provide a public hearing prior to initiating any rate increase.

B. Pro-actively identify additional customers and new users.

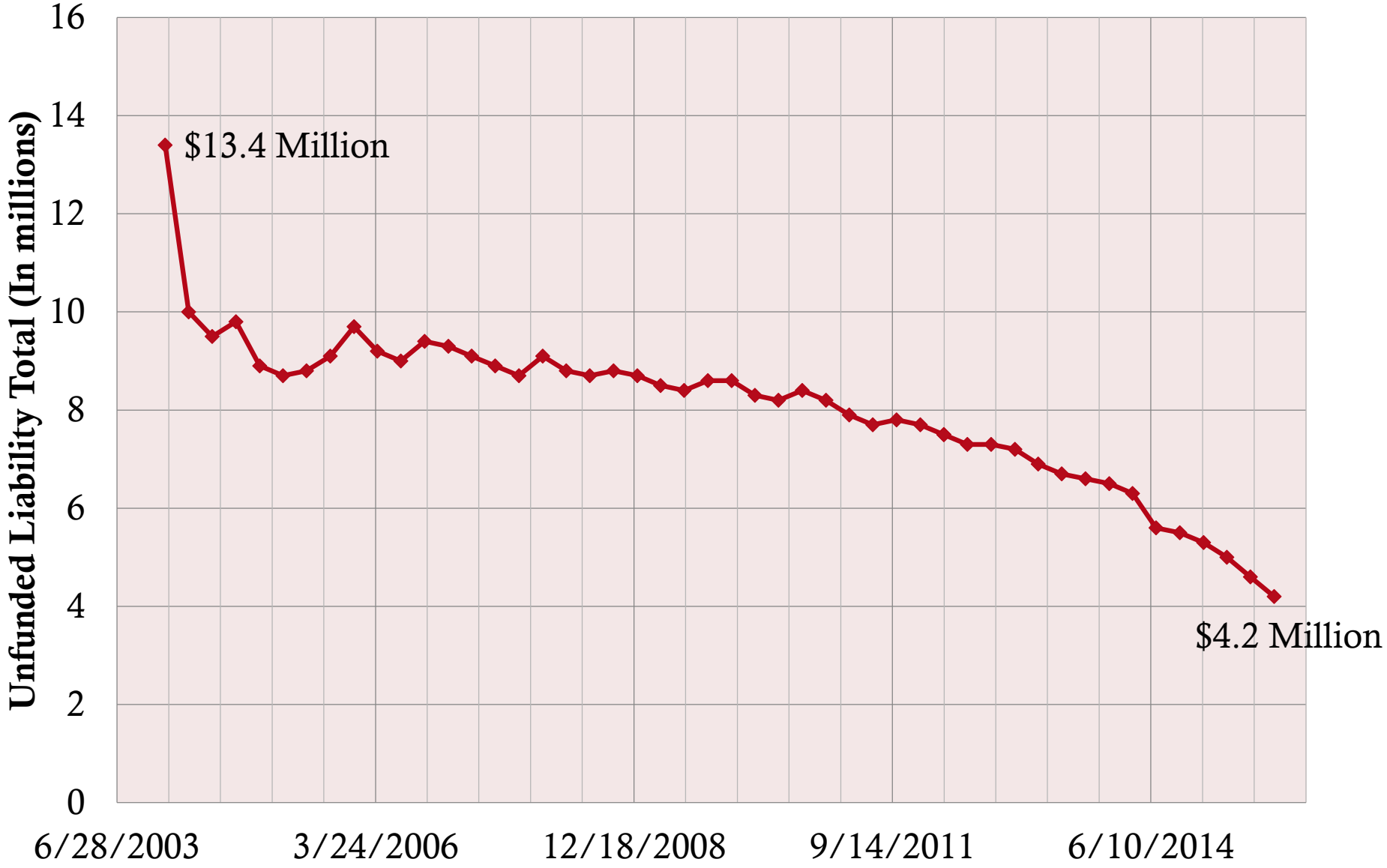
- Sewer Committee to review all properties in the original Sewer District to verify compliance with State Law as it relates to the requirement to connect. Any property not connected pursuant to this requirement shall be subject to Civil Infractions enforcement or similar, appropriate action to ensure compliance.
- Revise Ordinances as appropriate to enable the Planning Commission and Township Board to impose a hook-up requirement for any new development that is within 200 feet of an existing sewer. If a Sanitary Sewer is not available at the time of approval of a new development, an agreement to hook-up will be created to guarantee the hook-up once the sewer does become available.
- Review all Township Ordinances and Policies and amend as appropriate, specifically the sewer ordinance and the sewer policies.

Proactive Steps

Aside from the adoption and implementation of the Action Plan, the Township has continued to take steps to ensure that the financial health of the sewer system continues to improve, such as:

- Refinancing bonds twice to take advantage of lower interest rates.
- Partnering in Development Agreements (e.g. Lake Trust).
- Adoption of the Financial Analysis and Capital Improvement Plan (CIP).
- Adoption of the Sanitary Sewer Asset Management Plan.

Brighton Township Sewer Debt - Unfunded Liability (Original District) - 12/31/03 to 9/30/2015



Other Questions

- *Question: How do I get off the Sanitary Sewer System?*
- Answer: There is no process in place for residents to un-hook from the sewer system. The Livingston County Health Department will not approve any resident on the sewer system returning to the use of a septic system.
- *Question: Will I be getting a refund?*
- Answer: There is no provision in the budget for a refund.

Drain Commissioner Brian Jonckheere Input

Why was the County Involved in Constructing the System?

- The cost of the project was greater than what the township could bond on its own. Initially, the Township planned on financing the project itself but later changed its path when the costs became known.

What is Chapter 20 of the Drain Code?

- Chapter 20 is one of the 25 chapters of the drain code, and was the statute used to construct the Brighton Sanitary Sewer. It is somewhat unique in that it only allows one or more units of government to petition for a project, and places total authority for debt repayment with the petitioning unit(s) of government. This is often used when the petitioning unit(s) of government wish to have complete control over how they repay the debt; special assessment, general fund monies, fees, etc…

Why was the Project Constructed Under the Drain Code?

- Our only two options were the drain code and our DPW statute (Act 185). We felt, at the time, that the drain code afforded more protection of the district and greater oversight capability than under Act 185.

What is the Difference in the Two Statutes?

- Procedurally, there is not a tremendous difference. Both statutes anticipate a petition from another local unit of government and require hearings of practicability and on the special assessment roll. The drain code does require an additional hearing by the Township for the residents.

Was the Sewer System Ever Relinquished Back to the Township?

- No. The provisions of the drain code require that all indebtedness held by the drainage district be paid off before the system can be relinquished. The intent is clearly for the system to be handed back to the Township once the bonds are retired. This is stipulated in the inter-governmental contract as well as other documents such as the easement transfer agreement.

Didn't the County Issue the Bonds?

- No, the Drainage District issued the bonds with the Full Faith and Credit of the County backing the bonds. As a rule of thumb, the savings resulting from the County's interest rate was probably around 50 basis points, which in this case would have resulted in savings of approximately $2-$3 million.

Who Owns the Sewer System?

- The Drainage District, as issuer of the bonds, is technically the owner until relinquishment.

Why Didn't the People Petition the County Directly?

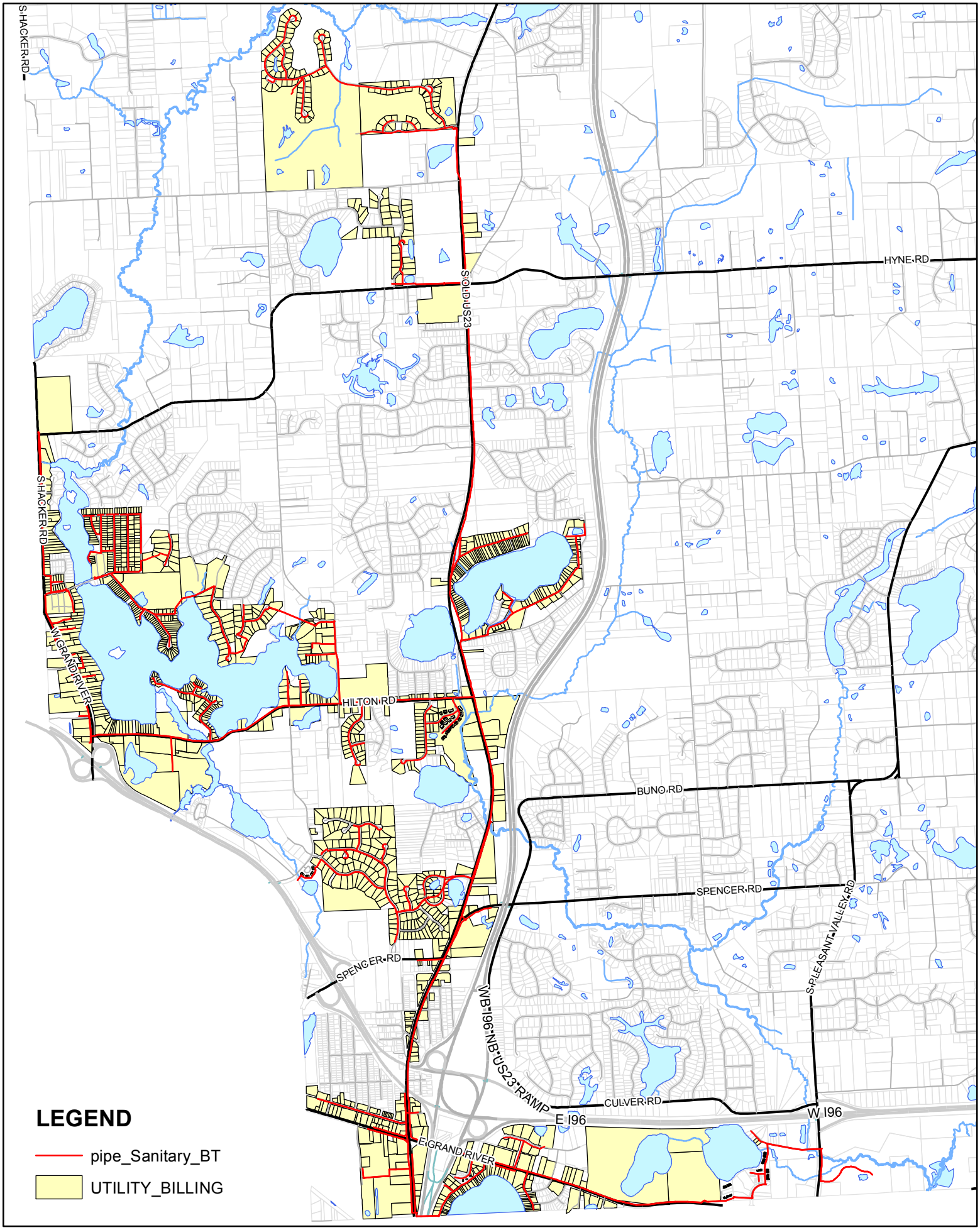
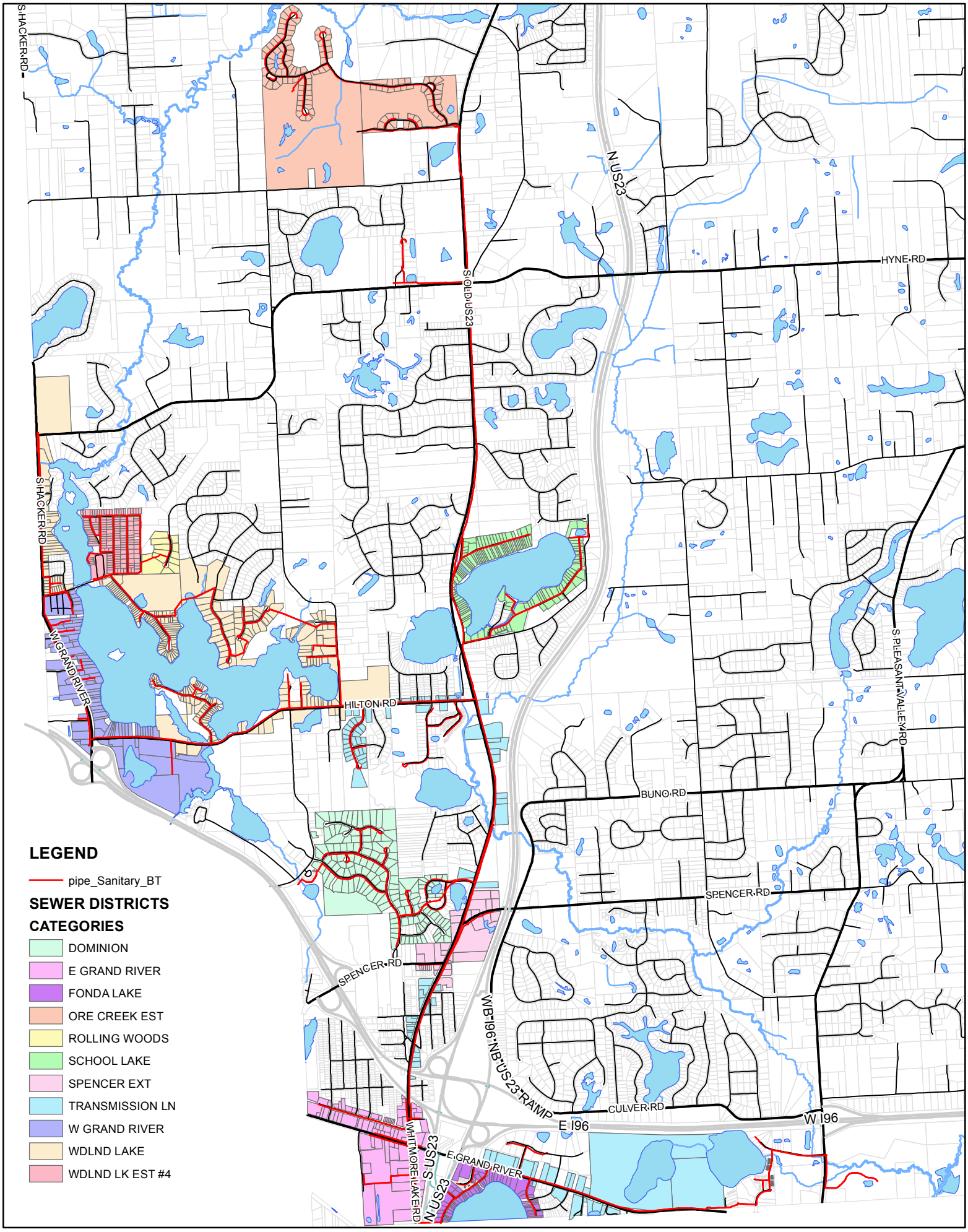
- Chapter 20 of the drain code allows solely for one or more public corporations to petition for the establishment of a drain. It also mandates that the assessment be levied solely to benefitting public corporations (the township). The benefitting public corporations have the discretion of assessing some, none, or all of the project cost to benefitted lands. Chapter 20 is a tool to allow local units the ability to handle all of the debt repayment through their own means (Ad Valorem taxes, revenues, charges, etc..).

Why Isn't the County or Drainage Board Operating the System?

- The Drainage Board has an obligation to operate the system in accordance with the law. It can do so in any number of ways, including contractually with a private or public entity. In this case, the Township desired to have operational oversight of the system. Consequently, the drainage district contracted with the Township, allowing it to handle operations.

Moving Forward

DEBT SERVICE UTILITY BILLING AS OF 2/10/2016



BRIGHTON TOWNSHIP SANITARY SEWER SYSTEM
DISTRICTS AS DEFINED BY ORIGINAL SPECIAL ASSESSMENT