

MINUTES

**CHARTER TOWNSHIP OF BRIGHTON
UTILITIES COMMITTEE
1580 S Old US-23
BRIGHTON, MI 48114**

**JANUARY 11, 2016
REGULAR MEETING
7:00 P.M.
(810) 229.0550**

M. Sweatman called the meeting to order at 7:00 P.M.

Present: M. Sweatman, F. Grapentien, C. Moran, D. Terns, D Taylor

Absent: M. Slaton

Also Present: B. Vick

PLEDGE OF ALLEGIANCE

CALL TO THE PUBLIC

Bo. Potocki, 8420 Woodland Shores Drive Distributed Handout to the Committee and spoke regarding: responsibilities of the committee, wants audited assessment role, missing documents, public posting of reports, transparency, Mr. Sarna's tax bill and quarterly billing totals, forced to hook up, auditors 10 financial analysis, anti-trust violations (J. Romes, 2703 Brad Place and D. Mahl, 2616 Tim Ave gave their minutes to Mr. Potocki.) questioning the accuracy of the financial information, inequitable ordinance enforcement, discrimination, restraints of trade, illegal conspiracy, fines and damages, Sarbanes oxley requirements, reconsider the actions of the committee.

K. Couch, 2966 Cady Drive lakeside properties assoc. questions why SAD payments continue to be required given their SAD payments to date. Questioned sewer rate in Bloomfield Hills compared to Brighton Township.

M. Trimble, 2796 Tim Ave, stated dissatisfaction with SAD required hook-up and questioned whether quality of lake water improved since sewer system installed.

J. Sarna, 8266 Woodland Shore Drive, when will SAD payments end, payments made to date, use of Drain Code in the implementation of the SAD, was brought about, list of neighborhoods exempted from the SAD, Health issue versus Lake Quality, (R. Petterson, 8370 Woodland Shore Drive gave his minutes to Mr. Sarna) forced to be on the sewer, charges different from the petitions.

M. Palmer, 10382 East Grand River: Statement about Supervisor Murphy and his appointments, questioned the accuracy of the October 13, 2015 minutes, Attorney Harris letter dated April 23, 2013 (handed copy to the Committee), (R. Carter, 2761 Time Avenue gave his minutes to Mr. Palmer) forced on the system, state law, sewer service via the region / County, overpaying the SAD, financial emergency, demand reimbursement of \$17,500, independent audit

Ba. Potocki, 8420 Woodland Shores Drive regarding met the \$12,400 obligation, why other subdivisions allowed to opt-out, cost in comparison to other communities, size and cost of the WWTP property, financial burden on homeowners,

R. Schlumn, 2647 Gary Ave, need for independent audit, wants answers to questions, comparison to Nazi Germany.

C. Reedy, 2721 Tim Ave, forced on the system, contamination coming from under Hacker Road.

D. Strachan, 2769 School Lake Road regarding: increasing quarterly fee, when required payments will end, contract commitment, more users on the system, expensive to use plumbing.

S. Milley, Skeman Road, concerns with the original installation of the grinder pump, leaching into canal.

R. Stone, 8305 Donna Lou, sewer was political, forced on the system, financial burden, finding an equitable solution, represent residents not big business.

P Murphy, 2618 Parklawn Drive, Financial hardship and impact on her home, Storm runoff drain issue with Livingston County. Qualifications to operate the system.

J. Sarna 8266 Woodland Shore Dr (received minutes from C Peterson, 8370 Woodland Shore Drive) frustration expressed by residents, financial assumptions at the start of project, disclosure of capital debt charge inclusion, fraud, system installed under Drain code not by the people via PA 185.

C Jarvis, 8265 Donna Lou Drive, lack of disclosure of information

C. Ready, 2721 Tim Ave, questioned the construction oversight, was the project publicly let, water installation.

M. Palmer, 10382 East Grand River (received minutes from Jill Sweeso, 8448 Woodland Shore Drive) committee appointments, number of sewer users on the committee, Attorney Harris letter dated April 23, 2013, 200 foot State law.

D. Stracke, 2769 School Lake (received minutes from R. Cervenak, 3307 Oak Knoll) sewer construction impact on trees.

AGENDA

F Grapentien proposed to add agenda item G4 to consider proposed motions to forward to Brighton Township Board of Trustees. Handout distributed. Motion by C. Moran and Supported by D. Terns.

Motion carried.

MINUTES

D. Taylor handed out document that lists four requests he made at the October meeting during public comments and reflect the suggested changes:

D. Taylor, 3319 Oak Knoll: ~~Regarding~~ *Objection to not having a second call to the public and a request to modify the agenda to add a second call to the public, why the system was built to current capacity and why should the original users be charged for the Township decision to overbuild, prepared and distributed to each committee member questionnaire written list of six questions to the committee for discussion / answer and that these questions be entered into the minutes of this meeting and retained for committee and township records, unfunded system system has been underfunded since its inception. Why doesn't the Township step up and fund the cost of its decision to overbuild- fund it from Township net positive cash position – replace cash with new user fees.*

B. Vick, Township Manager provided an overview as to how the minutes are drafted and approved by the Committee. The minutes incorporate summaries of comments as opposed to verbatim and it is the discretion of the Committee to modify minutes prior to approval.

D. Taylor indicated that he would like the minutes (particularly his comments) to have greater detail. As the original responsibility of the Committee from the Township Board was to provide deliverables to the Board, forward community input, research and review topics. He wants his comments to get to the Board.

D. Taylor moved and C. Moran supported to approve the minutes of the October 13, 2015 Meeting of the Utilities Committee as amended. **Motion carried.**

BUSINESS

1. Quarterly Sewer Analysis – the Committee was provided a copy of the Sewer O & M Fund analysis for the period ending September 30, 2015. Ken Palka, of PHP, when through the report page by page, highlighting key elements of the report. D. Taylor asked whether the sewer funds are transferred or comingled with other funds. K. Palka indicated that some funds get sent to the sewer reserve fund for future repairs however no funds are sent to other funds, such as the roads or pathway fund. D. Taylor asked how many users on the system. K. Palka turned everyone’s attention to page six and highlighted the number of users that are listed on that page. D. Taylor asked for clarification on the “Due To” lines as it relates to his previous question about transfers out of O & M into other Funds. K Palka clarified by stating that quarterly payments come into one account and then are disbursed to their proper fund (i.e. debt service or O&M) and that on the last day of the quarterly report there will always be some lag in that transaction and is why it is reflect on the report. D. Taylor asked about the Equity Fund Balance and whether that was purely cash. K. Palka responded that this figure includes all assets. M. Sweatman asked for clarification on the Bond interest rate change due to the refinancing. K. Palka responded that the approximate figures saved 3% when bond premium was taken into account. These savings help the overall financial health of the sewer system. D. Terns asked what the interest return the Township is receiving on their loans to the sewer. K. Palka responded that it was approximately 1% - 2%. D. Taylor asked where the money is coming from to make the bond payments and that if some of the money used to make the bond payment is represented in the loan from the General Fund why doesn’t the Township use the General Fund to pay for the community asset and not treat it as a loan. B. Vick responded that the Sewer Fund is an enterprise fund separate from the general fund. Further, that the question of using General Fund dollars is a policy and legal question which the Utilities Committee does not establish. D. Taylor asked for clarification on the plant capacity of 2,500 versus the current flow which would calculate over 4,000 REU. M. Sweatman responded that the original figures were a “permit’ number with the State. Since we are tracking this figure we will seek adjustment of our permit number with the State during a permit renewal. D. Taylor suggested clarifying the 2,500 REU as “original permit capacity and adding another line stating potential REU capacity due to experienced flow.

(Five Minute Recess)

2. Sanitary Sewer Rate Survey – Manager Vick summarized the purpose of the survey. At the October 19, 2015 Township Board meeting the Board received the Utilities Committee’s recommendation for rate structures based on the eleven different scenarios. The Utilities Committee based their recommendation on the Sewer System Debt Service Analysis compiled by Ken Palka. The Board requested that staff perform a survey of adjacent communities to get an idea of what sewer rates are being charged in those communities. The document contained numerous footnotes as each community is unique and explaining the differences between each community required additional explanation. The results are intended to provide a general comparison and is not an “apples to apples” comparison due to the variety of factors. The survey results were provided to the Township Board at their January 4, 2016 meeting.
3. Hardship Deferral of Sanitary Sewer Special Assessment – Manager Vick provided a synopsis of the deferral process. The Township’s Sanitary Sewer Ordinance, in compliance with Michigan law, allows the Township to defer the payment of assessments for public improvements due to poverty.

- If the Township agrees to defer an assessment, the Township pays the assessment and places a lien on the property for the amount paid. The property owner signs an agreement to accept the lien. At the time the property is sold the deferred amount is paid to the Township. No interest is charged on the amount deferred. This is for the 2015 sewer assessment that will be paid in 2016. The Township's poverty deferral process requires the property owner to file an annual application which is reviewed by the Township's Utility Committee. The Committee's recommendation is forwarded to the Township Board for final approval. Motion by C. Moran, seconded by D. Terns, to recommend the approval of the sewer assessment hardship deferral request for property parcels 4712-18-303-090 and 4712-19-201-061 each in the amount of \$806.93. **Motion carried.**
4. Proposed motions to forward to Brighton Township Board of Trustees - F. Grapentien introduced his reasoning for requesting this item be added to the agenda in light Public Comments during the January 4th Board of Trustee meeting and agrees that the Township should be more assertive about getting additional connections to the sewer system. F. Grapentien topics to discuss are:
 - a. Motion #1 – Should we ask the BTBT for a color coded map of the entire township sewer district which depicts separate areas (e.g. residential, commercial, vacant, payment over time, open developments). No formal motion. The Township Manager confirmed that it was something that staff could compile (with some flexibility in the creation) by the next regular meeting.
 - b. Motion #2 – Should we ask the BTBT to create a policy, admin letter, ordinance to the Livingston County Health Department that would require LCHD to allow Brighton Township to participate in the decision to issue septic field permit before such a permit is issued by the LCHD. No formal motion. The Township Manager will communicate this request to the LCHD.
 - c. Motion #3 – Should the Township Board fund a cost analysis to study bringing a sewer transmission line to the Sandilla development and requiring all properties within Sandilla and all properties in between to hookup. The Utility Committee suggestion would be the General Fund pay for the study and if cost beneficial pay for the project as opposed to the sewer fund. Manager Vick provided explanation of a current project, Deerfield, and the associated costs with sewer analysis and potential cost for a required pump station. Motion by Terns, supported by Moran. **Motion carried (3-1-1).**
 - d. Motion #4 - Should the Township Board give the Utilities Committee tasks, assignments, goals, etc. to help the Township Board in managing utility projects? This may require a joint special meeting to define roles and responsibilities. What else should we be doing to help the Township Board? D. Taylor questioned whether the eight original tasks of the Utilities Commission need to be reassessed and why. Motion by F. Grapentien to request a joint special meeting with the Township Board to define roles and responsibilities of the Utilities Committee. Supported by Terns. **Motion carried**

REPORTS / CORRESPONDENCE

1. Maintenance Project Updates – Infrastructure Alternatives had distributed the November 2015 monthly operating report prior to the meeting. Mr. Boven highlighted key WWTP maintenance activities. Introduced Tom High as the newest member of the IAI staff and will be the facility manager for the WWTP. Per the distributed graphs, the system continues to be tight with very limited ground water infiltration.

COMMITTEE MEMBER COMMENTS

- D. Taylor – asked what the protocol for adding discussion topics to the Utilities Committee agenda. D. Taylor spoke to the handout which he provided to the Committee earlier in the meeting. The handout was his calculation of the running total of quarterly billing and SAD payments. D. Taylor suggested that the Committee take action on recommending to the Township Board the immediate discontinuation of the quarterly debt service charge prior to the issuance of the next quarterly bill. Further, that there is adequate unrestricted funds in the general fund which could be used to pay existing sewer debt. Manager Vick advised the committee that the typical protocol would be for committee members to provide material to the Manager prior to the distribution of the meeting packet or prior to the meeting with the committee deciding whether to place the late addition as a business topic during the “setting of the agenda”. Otherwise the committee can also entertain calling for a special meeting. Manager Vick requested that any further consideration on deviating from the existing financial payoff scenario be re-projected through the assistance of the Township consultant.

CALL TO THE PUBLIC

J. Sarna, 8266 Woodland Shore Dr.: appreciated the mention of Sandila being added to the system; according to his calculations the homeowners have over-paid, the Township has available funds to pay for this Township asset, questioned legal authority to issue debt service charge.

M. Palmer, 10382 East Grand River: consult the community master plan regarding development and the extension of water and sewer; Attorney Harris letter dated April 23, 2013 and the 200 foot rule, sewer ordinance change suggested shifting grinder pump responsibility to property owners; authority to change the ordinance to requiring 200 foot hook ups.

K. Couch, 2966 Cady Drive: residents have paid their share, previously existing septic fields were destroyed, put new users on the hook for these extra charges.

J. Romes, 2703 Brad Place: the original SAD amount has been exceeded; Township should stick to the original cost,

Ba. Potocki, 8420 Woodland Shores Drive: they were required to pay for a septic field and tank prior to installing the sewer and then made to decommission it; questioned undertaking sidewalk project.

Bo. Potocki, 8420 Woodland Shores Drive: Township has abused this neighborhood; his cost for sewer was \$30,000; system was built to big; Drain Commissioner told him that there is no list of sewer users; fraud and misrepresented the costs; (received additional minutes from Randall Lucas 8434 Carols Drive); he questioned the financial figures (transfers, borrowing, quarterly bills and REU totals); wants to see evidence of the 467 REU increase.

**C. Moran moved and D. Terns supported to adjourn at 10:25 pm.
Motion carried.**

Respectfully submitted,

Mark Sweatman, Chairman

Frank Grapentien, Secretary