

MINUTES
OF
PUBLIC HEARING
Tuesday, February 19, 2019

1. The meeting was called to order at 6:31 p.m. by Supervisor Hall.
2. Present: Ouwinga, Hall, Bradley, Wolford, Winkelmann.
3. Purpose of the meeting is to be able to question/answer with the MDEQ (Barry Christians & Brian Jankowski & Greg), Michigan Rural Water (Matt), Moore and Bruggink (Jeff Landers), Missaukee Sanitary Drain #2 (Al Gray & Dan Molitor), Caldwell Township (Mike Lutke & Gordy Brown) regarding land application, ground water and the possibility of expansion of the current Missaukee Sanitary Drain #2 into a Septage Receiving Facility.
4. Approximately 59 residents were in attendance.
5. Supervisor Hall explained that the 50% increase to the Missaukee Sanitary Drain user's quarterly bill was taking place in the first quarter of 2019, which will total \$104.40 per quarter. There will be 4 more increases at 20% each; after 5 years the bill will total \$216.00/quarter or \$72.00/month. Our current system is 25 years old. Our systems are known as an affluent system & a gravity system, which were installed to protect the lakes. There are 300 step units on the affluent system and 500 on the gravity. Sanitary Drain #2 serves all the lakes in Lake Township with approximately 800 billable units. Since 2015 the board has been told by the auditors that the Sanitary Drain was in need of some serious rate increases due to having to dip into the capital outlay, which now is at \$80,000.00. The board then had a rate study done.
6. The board previously was presented with a concern regarding land application on the Sherman property. After looking into options, Hutchinson had a permit to land apply septage in this area. The only option for Lake Township to stop the land application was to create an ordinance. If an ordinance was created, the Township had to have a place for the sewage to be dumped. This was when the idea of the Septage Receiving Facility came into play. Through research and information presented by Moore & Bruggink, the proposed facility would generate revenue for Missaukee Sanitary Drain #2 which would help to maintain finances at the current facility, increase the ability for repairs needed, with intention to offset further rate hikes.
7. The concern with the land application is that 400,000 gallons of raw sewage from 4 counties is being land applied ½ mile from the local lakes and not far from the Clam River. This also raises concerns with the water table; flow and what might contaminate/access into the table. This specific site has been used for approximately 25 years.
8. Proposal to construct a Septage Receiving Facility was presented. Pro's and Con's were listed from previous meetings. Does benefit outweigh the risks?
 - **Pros-** Create an ordinance to stop land application
 - Help prevent ground and surface water contamination
 - Generate revenue for current plan
 - Help mitigate future rate increases

- All septage in the township will be treated at the plant
 - **Cons-** More sludge in the pond(s)
 - Risk of receiving contaminated septage-cause issues with one of 3 cells
 - Risk of odor
 - A \$1,000,000.00 bond with an unknown amount of revenue
9. Jeff Landers – Engineer at Moore and Bruggink has been assigned to the Septage Receiving Facility project. He presented and discussed the SRS (Septage Receiving Facility) project options that were previously presented at a public meeting; Jeff was unable to attend due to weather. He also presented this to the board 2 months ago (2 residents in attendance). Created basis of design- Two capacity issues: Hydraulics (how much water can be taken in and held for given amount of time) & Organic Loading (amount of constituents and the makeup of wastewater and how you treat at a safe level to be able to discharge back into the environment). Two project goals: One to keep the revenue stream in the township, and two to eliminate septage land application. We could build a smaller SRS plant that would take on a certain amount of septage that wouldn't require an ordinance which wouldn't eliminate land application & would allow us to capture some revenue. Take on a larger facility, we would increase the capacity of the plant which would have higher capital costs and higher revenue capture and allow us to eliminate land application. Discussed 20 year energy costs, labor, system costs, capital costs for equipment, site work and 20 year maintenance costs to come up with an overall system cost. Jeff also stated that the numbers presented in his packet were conceptual numbers; no designs on paper yet, just have done calculations for verification. Project #2 meets all of the goals that have been requested. We will need to replace the surface aerators within the next 2 years at an approximate cost of \$144,000.00 to replace existing units on the ponds. There are 930 septic tanks in Lake Township according to the health department, which need to be cleaned out every 5 years. Gave projected numbers on volume waste received at facility and where we would be financially if we took on that amount of waste. Looking at a 20 year bond.
 10. Public Comments were addressed.
 11. Curt Francis – Sapphire Lake – Where are we comparable to other systems numbers on cost per gallon to receive septage? Lake Township wanted to accept waste at 5 cents per gallon.
 12. Mike Marks – Will rates come down 20% per year if we move forward with the proposed SRS facility? The rates now are for the current system.
 13. Kurt Merlee – Where is the revenue stream coming from that pays off the bond? Is cash flow consistent/adequate to be able to pay for the bond that is needed to build the SRS without passing that off to users?
 14. Don Nemechek – Not completely sewered on Anderson Trail. There are 12 homes there now, not happy that nothing has been done for the residents there. Not in favor of this project until Anderson Trail has been completed first. What are our plans for this location? Only takes one house to contaminate this area.
 15. Richard Levandowski – Could we somehow tie in the 930 septic tanks to the sanitary drain system?

16. Ron Odren – Sapphire Lake – 44 year resident. What will regulate the septic hauler from bringing in different counties waste? Does the board live in Lake Township? We don't need the new plant.
17. Dick Morrow (email read by Richard Levandowski) – Appalled that public hearings are held when the majority of the seasonal property owners are absent. Feels that the board needs to schedule these meetings accordingly. Can we just repair the current system? Can we build a new system and incorporate surrounding townships? Given the need for portable sewage disposal he feels that the facility could be financed by those residents using it. This facility could be located in an isolated area eliminating the environmental and or contamination issues, which would also eliminate the land application. Mentioned Ordinance 9, item 4 from 1994 – new users pay for the new facility. Current users pay for repairs.
18. Les Hannah – Questioned the land application. DEQ was supportive of land application. DEQ stated that the septage program has been known to have some problems. Explained what the DEQ tests for in septage. DEQ stated that they test for phosphorus, not nitrates or anything else. Applying 20,000 gallons an acre at the Sherman property. Solids go to sludge and will be land applied. Les also said that he is concerned with the groundwater knowing that the proper procedures are not followed with the current land application at the Sherman site. Les is also worried about the animals that may graze this particular piece of property and what affect that has on the wildlife. Are we going to be looking at a sunset clause in the future?
19. Tim Briseno – Brought up pollutants in the air with a SRS facility – the spread and the spraying of. Septage will be applied on the ground either way. Feels that residents will be charged twice. Once on the bill and then again by the septage hauler.
20. Scott Hutchinson – Stated that he has a protocol to follow for his land application that involves taking soil samples, growing crops, disking soil, and testing. Preferred method is injection. In the winter, he stores the septage and cannot land apply. Inspected annually, soil tested annually, licensed annually and business license every 5 years. Sherman site 2 is at 80% life expectancy due to high phosphorous and use over the years. He said that he would be willing to leave in one year if we did not build the receiving facility so residents didn't have to spend \$1,000,000. Has 4-5 years at best. Doesn't want to contaminate the ground, would feel horrible. Currently looking for another land application site. What did you base the receiving number off of? Also said that he doesn't pump 50-60 septic tanks in Lake Township in a year. Are we similar to Ludington? Don't spend the money.
21. Kate Cobb – She told the residents she was addressing the board because this was to be voted by the board, not the people. Explained her research that she has done and hasn't liked this project since she has heard of it. Stated we would be bringing over 1,000,000 gallons of others septage. She only wants us to take care of our own and discourages the receiving of anyone else's septage. Stressed that the plant is not making enough money to survive. Told users at the meeting that they have no other choice but for their rates to go up. She feels that the township needs to kick in some money to maintain/upgrade the current facility. Discussed receiving of prescription drugs and how it is no different from the land application to the SRS and said that there is research being done on that. Questioned the DEQ about a failed facility and asked for an explanation.

22. DEQ discussed rate structures, asset management, most plants are underfunded & elected officials are afraid to raise the rates. Around 2009-2010, there were noticeable problems with economic turndown in the country in these communities. There were billions of dollars in infrastructure and barely any money to operate, maintain or fix plants/systems. It is important to bank money through asset management and rate structure. People have to step up and pay. Public utilities aren't even covering inflation costs.
23. Curt Francis – Is there growth for the community factored into this design?
24. Tammy Francisco – Can we move the site or the plant away from the lake?
25. Jim Fairbrother – Why weren't rates consistently increased throughout the years? For several years, there were no increases at all.
26. Lynn Elenbaas – On the cities system. The cities lagoons are on m-55. Is he affected by this in any way by living on the North side of the lake?
27. Richard Levandowski – there are not enough people on the system and most are seasonal.
28. Mike De Graw (email read by Clerk Winkelmann) – Against the addition of the SRS. Doesn't see the benefit vs. the cost, new and bigger equipment will be installed to take the added sewage. Stated that our system is 23 years old; will we be doing this again in 20 years to never get ahead? Is for fixing the system we have and not adding any higher rates than we have recently received. Questioned having a shared service with the City of Lake City. Mentioned that most on the system are seasonal residents who are not homesteaded that are paying high property taxes due to a new school and now the impending high sewer rates, which in turn makes it difficult for them to maintain their presence here. Suggested a 2% per year increase due to inflation, an increase of \$90,000.00 per year. Questioned if any costs for the added receiving station will be levied into the rest of the township residents due to their benefit as well. Stated that most, if not all of the board doesn't currently pay these fees so we aren't looking at it closely.
29. Ron Webber (email read by Clerk Winkelmann) - Lives on Sapphire Lake and is the President of the Wildwood Estates Association, consists of 14 residents. Pays for the sewer system through taxes. The associations concerns are that these meetings are held in the winter when no residents can attend. Other concerns are a system failure and what will happen to their service? Why can't they vote? Current users should have a say by voting.
30. Ed Stephan's – Stated that the users on the City of Lake City's system are paying \$66.00/quarter.
31. It will cost approximately \$250,000 to de-sludge each sewer pond. One pond about 8 inches of sludge currently. This number was also figured into the new plant.
32. New system going to take more electricity, new equipment is more efficient. We currently pay over \$6,000.00 per month in electricity.
33. Dave Cobb - Who will vote on the system? We need to take care of our own township. Raise the sewer user rates and fix the current equipment. Walk us through the worst case scenario if we couldn't get the discharge permit and/or if the ponds went septic.
34. Doug McEwen – Concerned about the water table at 13ft. Anyone on the North side of the land application site was encouraged by Bill Pearson to have their well tested.

35. Kate Cobb – Doesn't want more waste in this township. We need new equipment. Is the board happy enough with replacing the equipment needed if Scott walks away? Again, she would like the township to be able to dip into the General funds to help the sewer fix the issues.
36. We did a vote by a show of hands. 34 residents were **NOT** in favor of the SRS.
37. Gordy Brown – Caldwell Township – will discuss with the Caldwell board at their upcoming meeting and present results at the next sewer committee meeting.
38. Ben Wolford – thinks we should wait for the seasonal residents to return before making a decision regarding the new facility.
39. The Sewer Committee will meet and discuss what Caldwell township suggests. The sewer committee will then come up with a recommendation to present at the Lake Township monthly board meeting.

40. Public Hearing closed at 9:05 p.m.

Prepared by Korinda Winkelmann, Clerk.

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