



ACME TOWNSHIP
INFRASTRUCTURE CITIZENS ADVISORY COMMITTEE
Friday, June 3, 2005, 3:00 p.m.
Acme Township Hall
6042 Acme Road, Williamsburg MI 49690

Meeting called to Order at 3:07 p.m.

Members present: Mark Lewis (Chair), Tom Bergklint, Paul Brink, Bill Henry, Jim Maitland, Jon Stinson, Hal VanSumeren
Members excused: Bill Beall, Larry LaSusa

The meeting began with each member of the committee present giving a brief self-introduction. Chairman Lewis stated that every individual who expressed interest in membership on the committee has been invited to participate.

- A. Introductory Comments by Supervisor Kurtz:** Kurtz mentioned that Lewis was Chief Engineer of the Road Commission for 10 years, which is what led to his appointment to chair this committee. There are currently 5 citizen advisory committees that have been appointed to work on specific issues by the Board of Trustees. This committee will deal with questions relative to roads, transportation, sewer and water. These issues are immediate and complex. Currently sewer service in the township is provided through the County DPW. There is water service at the Resort and within Acme Village, and there may soon be a formal agreement with LochenHeath. A proposed new development on the west side of US 31 North across from the Resort, Windward Ridge, is hoping to receive water service from the Tribe. Kurtz hopes this project will be able to proceed as soon as possible, but provision of water to the development has not been resolved.

The first phase of a sewer system capacity increase was completed in 2004, with a second phase planned to serve areas north of M-72 along US 31. Whether or not the second phase should proceed at this time is a question for this committee to address. One factor is how the Tribe plans to serve the Resort with water and sanitary service in the future.

The township is still awaiting the results of an MDOT study of the US 31/M-72 intersection, and proposed new developments along M-72 may have a profound impact on traffic on M-72.

- B. Limited Public Comment:**
Ron Reinhold, 4446 Westridge, asked if **handouts** would be publically available, and was immediately given a copy.
- C. Discuss Potential initial focus issues:**
Lewis provided handouts to the committee. One map displayed existing sewer service district areas as of September 2004, and one displayed proposed future upgrades to Lift Station #2. A memo addressing the question of whether or not to continue with the second phase of the sewer system upgrade dated February 28, 2005 from Lewis to Kurtz was also distributed. This memo discusses remaining levels of capacity in the system and potential cash flow savings that could be realized through a related reduction in debt and debt service.

A related issue is the expansion of LochenHeath which could introduce hundreds of additional sewer benefits into the phase 2 portion of the system. Additionally, there is a

possibility that the Tribe will choose to remove approximately 550 current sewer benefits from the regional sanitary system and re-route them to a tribal wastewater treatment plant at Turtle Creek. We are unsure of the timeframe on which this might occur; however, the Tribe has already connected the Resort to the tribal water tower at Turtle Creek. The Tribe's usage fees to the DPW are over \$30,000 annually. There are additional questions: if those sewer benefits are redirected, are they sold back to the DPW? Are they forfeited? Can they be resold to other entities? There are many legal issues to be explored.

If the Tribe does not remove the benefits from the system, and if construction at LochenHeath proceeds faster than anticipated, flow capacity north of US 31 could become a concern in 5-6 years. Tribal flow redirection and the actual pace of construction at LochenHeath could extend this time period somewhat. The amount of time that would be required between deciding to construct the improvements and reaching completion would be at least a year.

If bonds are defeased now and construction is desired later, a new bond issue might be necessary. Lewis passed out copies of a message he received from Kurtz with a sewer fund cash flow spreadsheet. This spreadsheet indicates that if sewer user fees remain the same and if no new benefits are sold, the Sewer Fund will be depleted by late 2006. Defeating the bond for the phase 2 improvements would also have an impact. A version of the spreadsheet has been created that permits assumptions regarding user fees and new benefit purchase costs to be adjusted so that different basic financial scenarios can be evaluated. Lewis suggested that a subgroup of the committee might be formed devoted just to the financial models.

Brink noted that the Tribe's plans are likely to have a significant impact on the situation, and asked if they would be willing to share more information. Lewis indicated that there have been some initial discussions between the Tribe and township and that more such discussions can be held. Legal issues again are a significant concern to be explored. Maitland, speaking from his perspective as a Road Commissioner, expressed concerns that decisions might be made and executed by the Tribe without local consultation; the water line from Turtle Creek to the Resort was not discussed with the Road Commission. Lewis also distributed a memorandum regarding some of the potential legal issues he had received. VanSumeren also asked what role or oversight the State would have in the situation; Lewis stated that again this is currently unclear and can be impacted by a range of factors. The committee seemed eager to have the Tribe involved in mutual discussions as soon as possible. Brink noted that one portion of the question will involve how much land in the township is subject to a tribal claim of rights. A private utility is different from a public utility, and there are issues about potential franchise agreements.

Maitland asked if any action to defease the bonds will have an impact on the County's credit rating and ability to issue further bonds. Lewis indicated that County Administrator Aloia has been looking into this issue and has not expressed any concerns so far.

Lewis mentioned Windward Ridge, the development across from the Resort Kurtz mentioned earlier. This development must weigh its options, which may include Tribal water service, installation of Type I public wells or installations of Type II or III or individual residential wells. The community should also develop a long-range master plan for water provision.

Henry briefly discussed upgrades that were made to the regional sewage treatment plant in Traverse City to increase capacity, as well when East Bay Township developed its own water system and stopped purchasing water in bulk from the City (Garfield Township still does.) Maitland recalls that some water users were paying much higher rates than others and there may have been contamination issues. Any agreement with another entity or government

would have to be constructed so as to be reliable for the long-term. Henry stated that he knows a bit about the sewage treatment system at Turtle Creek and that it is one of the best in the area.

The Road Commission is working on revisions to local road standards for subdivisions. There might be time to review the proposed standards and comment if the group is interested. The group should also consider whether it would be a good idea to develop private road standards for the township. Other traffic issues include the ongoing MDOT study regarding the US 31/M-72 intersection, and a study of M-72 continuing eastward towards the county line that is about 6 years old. Developers of The Village at Grand Traverse and Lautner Commons have been working on traffic studies relating to their proposed developments that the committee may wish to review.

Lewis asked the committee membership how it would like to be organized. Would they like to review each issue as a whole, or assign smaller groups of members to individual issues? Henry favored working as a united group, as did Stinson on the basis that many of the issues will be interrelated. Stinson asked how this group might interrelate to the Planning Commission and issues it is reviewing. Brink stated an impression that the group is appointed to study issues and report back to the Board of Trustees with recommendations. The Board will make all final decisions. Maitland stated that there might be questions as to whether his presence on the committee would represent an overall conflict of interest since he is a Road Commissioner and a partner in LochenHeath. He believes that because the group is advisory to the Board and not a decision-making body that he has no overall conflict, while noting that as a Road Commissioner he has some biases when it comes to road issues. From time to time he or any other member of the committee might have a conflict of interest related to a specific issue; this can be dealt with as the time come.

Maitland also asked that the TART and recreational trails in general be added to the list of issues that would interest the committee. Lewis noted that Kurtz is on the 30-member County committee that is studying regional traffic alternatives. More direction from the Board and the Planning Commission as to project priorities is desirable.

Maitland asked when is the last available opportunity to consider bond defeasance; Kurtz stated that there are several months at least. He also stated that he has discussed the question with John Axe, the bond counsel for this particular bond, who says defeasance happens frequently and does not negatively impact government credit ratings. Lewis stated that the question of whether or not to defease the bond also involves considering what bond rates might be in 5 years if a new bond were required to perform the phase 2 sewer upgrade later rather than sooner and when the rates would be more favorable.

Brink feels that an assessment of likely community growth trends and discovering more about the Tribe's intentions are two key factors that will drive decision-making.

D. Public Comment/Other Business:

Jim Goss, 4105 Bay View Drive, asked who is Jeff Jocks, who wrote the legal memo about extension of Tribal water and sewer infrastructure in the township. Corpe replied that he is an attorney with Olson, Bzdok & Howard.

Noelle Knopf, 5795 US 31 North, clarified that the areas affected by the potential need for the phase 2 sewer improvements is served by lines running north along US 31. Areas served to the east through infrastructure that runs through Acme Village do not appear to be affected.

Mr. Reinhold asked for some details about how sewage travels from Acme Township to the treatment plant. He asked about lift stations and if there are associated reservoir tanks, and if flows travel from lift station to lift station. Lewis noted that segments of the system might be force mains (where flows are pushed by the pumps at the lift stations) and some are gravity lines (one end is at a higher elevation than the other), and the two types are interspersed. He also asked that a color version of the sewer infrastructure service district map be linked to the minutes of this meeting on the website.

Lewis asked the committee when it would like to meet again, and asked Kurtz about any particular time constraints. Kurtz noted that Windward Ridge does need a resolution to its water questions. Originally when that project was conceived, the developer thought she would be working directly with the Tribe to obtain water service and didn't realize the township would become involved. Kurtz is also potentially looking to the DPW for advice on this issue. So, there is one immediate potential public water user, and there are likely more interested parties out there. Based on past discussions the Tribe is likely expecting to meet with this committee in the near future.

The next meeting was set for Monday, June 13 at 3:00 p.m. Lewis will provide a presentation regarding the current structure and operation of the regional sewer system within the township.

Meeting adjourned at 4:15 p.m.