



ACME TOWNSHIP
INFRASTRUCTURE CITIZENS ADVISORY COMMITTEE
Monday, June 13, 2005, 3:00 p.m.
Acme Township Hall
6042 Acme Road, Williamsburg MI 49690

Meeting called to Order at 3:13 p.m.

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

- A. **Approval of 06/03/05 Advisory Committee Meeting Minutes:** (not addressed)
- B. **Limited Public Comment:** None
- C. **How the Acme Township Sewer System Operates: Presentation by Mark Lewis:** Lewis indicated that he had sent a set of computer files to each committee member. He first displayed the Sewer District Map from the Master Plan, indicating that the red portions show where existing sewer mains run.

Next, Lewis displayed a map from a September 2004 Gourdie Fraser PowerPoint Presentation to the township, which uses color to demonstrate the different drainage districts that make up the entire sewer system within the township. The key issue before the committee is whether or not to continue with Phase 2 of the most recent system upgrade project, or whether to defer the project and defease the bonds taken out to pay for it. Lewis pointed out Districts 1 and 2 along US 31 North, and noted that gravity mains between the Bunker Hill Road lift station and M-72 carry a lot of flows. Phase 1 installed new force mains part of the way up Bunker Hill Road and along the railroad right-of-way and Five Mile Road to a lift station on Four Mile Road in East Bay Township.

Phase 2 would address a pump station at the south end of District 2 on Deepwater Point Road which collects all of the flows from points north. There is a gravity main along US 31. The pump station would be upgraded and new force mains installed between it and the station at Bunker Hill Road.

From the Gourdie Fraser Report Dated 09/07/04 we learn that the pump station on Deepwater Point has capacity to handle 260 gpm/600 benefits (1 benefit = 1 residential unit or the equivalent). Currently 275 benefits are being passed through the station, leaving 325 available. This could be a limiting factor for development north along US 31; for instance LochenHeath could utilize all of this capacity within the next six years according to their projections. If the lift station is modified and a force line run alongside the gravity main, the number of benefits available in the gravity main would rise to 472. The capacity of pump 1 (Bunker Hill) is about 3,500 benefits; approximately 1,700 are in use and about 1,800 are available. When our current limitations are reached depends somewhat on the geographical pattern of development in relation to system components, but 5-7 years before either the gravity line or the Deepwater Point pump reach capacity is a good estimate.

Gourdie Fraser estimated Phase 2 costs totalled about \$1.1 million, which was included in a County DPW bond. Engineering costs are about \$172,000 of the total. There are two options for defeasing the bonds, depending on whether or not engineering, including a survey, is completed at this time. Defeasement costs (administrative) are also a factor, and defeasement savings are expressed both in terms of future and today's dollars in the two scenarios

prepared by the County in March or April. Cost savings may fluctuate based on prevailing interest rates.

Another factor to consider is the possibility that approximately 550 sewer benefits from the core of the Resort might be removed from the regional sanitary system and those flows redirected to the Tribal wastewater treatment plant at Turtle Creek. That flow capacity would then become available to other development. Bergklint stated that the Tribe's intentions for Resort sanitary flows clearly have an impact on the decision-making. According to John Anderson from the Grand Traverse Band of Ottawa & Chippewa Indians Economic Development Corporation, the Turtle Creek facility is currently operating at about 10% of its capacity. Perhaps there might be an opportunity for the township to direct non-Resort flows to this facility as well.

VanSumeren recalled that at the last committee meeting Lewis stated that if the bonds for Phase 2 are defeased now, it could take about a year to get the project up and running again if and when a need or desired was identified.

Ron Olson, Chairman of the Grand Traverse Band of Ottawa & Chippewa Indians Economic Development Corporation stated that he is attending today to listen and hear all sides of issue. They have been approached by several private developers seeking water and sewer service. They are unsure at this time of what the future plans for serving the Resort with water and sewer. Lewis noted that there has been speculation about the Tribe's plans to extend water and sewer lines from Turtle Creek to the Resort and whether they plan to offer utility service to non-tribal landowners in the township. The township currently is investigating what sort of franchise or intergovernmental agreements might be required were this to happen.

Lewis asked Chris Buday, DPW Director, if he could provide any insights into the potential impact of Resort benefits being removed from the sewer system. Mr. Buday mentioned that a new wastewater capacity survey may be done in light of Blair Township joining the DPW. A water service survey may be performed as well. If Acme is interested in pursuing sewer and water issues aggressively, it would make sense to look at the issues from a regional perspective to avoid unneeded duplication of effort and resources.

Lewis stated that water and sewer infrastructure improvements are generally constructed by individual townships. When complete the DPW assumes operation and maintenance and bills the township for effort expended accordingly. Initial construction costs can be funded through millages, special assessment districts, direct charges to developers or a combination. Ongoing operating and maintenance costs are funded through ongoing system user fees. Acme Township is the fourth largest user of regional sanitary sewer facilities.

Mr. Olson mentioned the water line brought along M-72 from Turtle Creek to service the Resort core business and golf courses. The Resort recognizes that the issue of interconnection with the water lines serving the Resort condominium developments must be addressed. The decision whether and when to connect the Resort to the sanitary waste treatment facilities at Turtle Creek is not finalized. The Resort does have concerns about how development at LochenHeath could impact their potential future development plans.

Bergklint asked if the Tribe intends to continue using the water tower at the Resort. Mr. Olson mentioned that this tower requires significant maintenance, and the decision has not been made. Aesthetically it might be nice to remove the Resort tower. Bergklint asked if it might be a good idea to retain the Resort system as a back-up facility. Mr. Anderson stated that there are engineering concerns related to relative elevation of the two towers that currently require pressure coming from Turtle Creek to be reduced to match Resort pressures.

Turtle Creek has the capacity to serve the Resort's anticipated ongoing water needs. As concerns sanitary service, the Turtle Creek facility could handle all flows from the Resort and Turtle Creek plus an additional 80,000 – 90,000 gallons per day. One factor in this calculation is the fact that waste from individual residences does not tend to be as strong as waste from the hotel or the casino operation.

Henry lauded the Turtle Creek facilities as being of high caliber and well developed.

Bill Kurtz stated that initial meetings with tribal representatives led to introduction of the discussion of whether there is interest in common water and sewer connections between the township and the Tribe, with or without DPW inclusion. In particular the proposed Windward Ridge development is hoping to receive water service from the Tribe through the Resort rather than through on-site wells.

Tribal representatives indicated that at present about 10% of the Turtle Creek wastewater treatment facility's capacity is being utilized. Buday indicated he has never toured the facility and was offered a tour.

Lewis asked if the committee is prepared at this point to make a recommendation to the Board of Trustees as to whether or not the bonds relative to Phase 2 of the sewer project should be defeased. A relatively small portion of the group is present today, and more discussion is needed.

Robert Memberto, Tribal EDC, observed that due to the large stake both the township and Tribe have in the situation, perhaps the committee, which is meeting for the second time today, would benefit from Tribal representation. Lewis noted that he had already made contact with Steve Feringa, also of the Tribal EDC, and welcomed the Tribe to nominate a representative.

Mr. Buday noted that a regional water study would be beneficial so that we don't end up with a situation where water is being transported back and forth to and from the same general locations. He also observed that townships decide where growth boundaries and infrastructure service districts will be.

There are 4 current key water systems in the region, the City of Traverse City and Elmwood Township (both of which pull water from Grand Traverse Bay), and East Bay Township and the Tribe (which operate from wells).

- D. Discussion Item: Windward Ridge Condominium project:** This proposed 44-unit condominium development is on the west side of US 31 North, opposite the Resort and just to the south of the former junkyard. The property owner has based her proposed site plan on receiving water service from the Resort. The committee has been provided with information that was given to the Board for their June 7 meeting tracing discussions Corpe has had with Gourdie Fraser about possibilities for on-site water alternatives until appropriate agreements that would allow Resort water service to proceed are in place. Gourdie Fraser believes that Type I wells would be required to serve the project with on-site water. Type I wells require a 200' radius setback for sewer lines, which would cause 8 units to be eliminated from the proposed site plan, and long-term testing and monitoring requirements through the DEQ exist. Based on discussions with the Health Department and information from the State website, the township currently believes that there may be other alternatives to Resort or Type I well service available, such as Type II or III or individual wells for each unit, that would permit approval of the project to proceed. It is currently unknown if the proximity of the former junkyard poses setback or water quality issues on the Windward Ridge site.

Corpe stated that the developer is seeking final SUP approval from the Board for Windward Ridge but the Board has not yet acted because the ability to serve the development with water has not been demonstrated. In the past SUPs have been granted conditioned upon future fulfillment of certain requirements, but usually the contingency items are relatively minor, such as revised landscaping. This is the first time an approval decision has been sought when provision of a basic necessary service has not been finalized. She believes the developer want to proceed quickly, but an agreement between the township and Tribe for bulk water purchase and redistribution may take time, so we are trying to provide the applicant with options in the meantime.

Andrew Bateman, General Manager of the Resort, stated that the Tribe has offered a government-to-government arrangement by which the township would purchase water for resale to individual landowners. Any issues that may be present in the situation are not on the Tribal side of the equation. He is concerned by ongoing comments that there are “questions” and “legal issues.” Kurtz stated a perception that the next step is to have a firm offer on the table that can be reviewed.

There was further discussion regarding the status of the Tribe as a sovereign nation, and what precedents might exist in on the state or national level for agreements between tribal sovereign nations and other units of government for water and sewer services. The tribal representatives present stated that they could assist in identifying the locations of those situations so that perhaps the township could review the agreement language involved. They also encouraged the township to present any questions it has in written form so that they may be answered rather than lingering on as unresolved issues.

Lewis asked if there is a possibility that tribal resources at Turtle Creek might become part of the regional water and sewer strategy. The tribe responded that there might be a possibility at some point. They also mentioned that their infrastructure is regulated by the EPA rather than the DEQ, and that an EPA representative maintains an office in the tribal offices at Peshawbestown.

Bergklint asked if the township knows whether the reason Windward Ridge did not propose on-site water is that they are certain the water quality on their land is negatively impacted by contamination from the former junkyard; Corpe replied that we have not been given a reason. Mr. Anderson stated that the Resort has four wells. One is newer than the others. It was difficult to find water at Turtle Creek when they drilled; it is hard in this area in general. One generally has to dig deep, as most of the shallow aquifers have heavy nitrate loads. A new irrigation well was also installed at the Resort last year for the golf course. A Type I well plus appurtenances might be very expensive to develop compared to the cost of running 400’ of pipe from the Resort to the proposed condominium site. Plus, rather than having to do ongoing maintenance and testing, this is already performed for the Resort water supply by tribal personnel. It can be a good deal for the tribe to sell water to spread the cost of operating the system across more users. Lewis was sitting near Mark Krakow, a partner in LochenHeath, at the last Board meeting. Mr. Krakow observed that perhaps LochenHeath could supply water to Windward Ridge, but this would require over 1,800’ of pipe to be laid and does not seem as practical.

E. Public Comment/Other Business:

Lewis thought he heard an indication from the tribal representatives present earlier during the meeting that they might be willing to work with other governments on a regional basis, beyond just working with Acme Township. Bergklint again stated that knowing more about the Tribe’s infrastructure plans for the Resort is critical to making a decision. expressed

concerns over what would happen if a tribal representative on the committee, and whether other committee members would feel comfortable expressing their views as freely or if conflicts of interest might arise for the tribal member. Corpe observed that all meetings of the committee are public, open meetings which anyone might attend, so committee members must be comfortable expressing themselves openly. Whether at the table or in the audience the Tribe will hear what the committee membership has to say, and she perceived that the tribal representatives present today were quite offended and angered that they do not already have representation on the committee. Lewis also inferred from the comment that only about 10% of the Turtle Creek infrastructure capacity is being utilized that they are interested in increasing utilization and realizing a better return on the initial investment.

A comment was made by Mr. Olson earlier that if sewer flows are redirected to Turtle Creek from the Resort the Tribe might wish to sell the benefits back to the DPW, but Lewis is uncertain this would be how it would work. Mr. Buday stated that when benefits are purchased from the DPW they become vested in the land and not in the landowner. If the land is sold, the benefits remain with the land and do not remain with the former landowner. If the Resort redirects sewer flows to Turtle Creek, it is not necessarily the case that the benefits may be sold back to the DPW; they might simply remain unused benefits belonging with the Resort lands.

Lewis wondered if LaSusa or Brink, committee members who are attorneys, would be good choices to do more investigative work on tribal/municipal infrastructure agreements in other communities. Mr. Buday thought that there may be contacts on a state or national basis with actual experience in agreements between municipalities and tribal sovereign nations.

Bergklint asked what would happen if the advisory committee were to vote on what sort of recommendation to make to the Board regarding a specific issue, and if the vote were split. Would the advice of the majority rule, or would no recommendation be made unless it were unanimous? Lewis asked Kurtz how he envisioned the process working; Kurtz suggested that rather than taking a particular position the advisory might lay out the pros and cons of all of the different options. The advisory would be performing the function of laying the groundwork and gathering all the data, but not of recommending a particular decision outcome.

Lewis believes that additional fundamental questions include: whether the Board has a basic desire to enter into an agreement with the Tribe to purchase bulk water and become a water service provider; and how much money investigation and suitable agreements might require and if the expense is proportional to the perceived benefit; whether it is better to maintain the bonded funds at today's interest rates or take a chance on what interest rates will be when improvements are needed/desired; and whether or not development patterns and pace in the township will proceed as currently anticipated, creating the need for improvements or not.

The next meeting was set for Monday, June 27 at 3:00 p.m.

Meeting adjourned at 5:15 p.m.