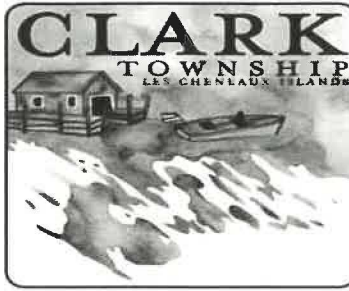


CLARK TOWNSHIP

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LES CHENEAUX
Michigan's Land Of Water

MARK G. CLYMER, SUPERVISOR
SUSAN J. RUTLEDGE, CLERK
LISA FITZGERALD, TREASURER
STEVEN N. KOZMA, TRUSTEE
PATRICK J. SCHUSTER, TRUSTEE

MINUTES

Special Meeting of Thursday, July 6, 2023, at 9:00 a.m.

CLARK TOWNSHIP BOARD OF TRUSTEES

Clark Township Hall; 207 N. Blind Line Road, Cedarville, MI 49719 (906)484-2672

Mark opens the meeting explaining notes from the Sewer Advisory Board Meeting the previous day, the Resolution that the State requires accepting the Sewer Bid and the Sewer Newsletter that the Sewer Advisory Board approved.

1. Call to Order & Pledge of Allegiance

- a. Lead by Mark Clymer – 1:15 pm

2. Roll Call

- a. Kozma, Clymer, Rutledge, Fitzgerald, Schuster
b. Guests: Rob Fraser; Maverick Construction, Paula Badour, Deputy Supervisor, David Nordquist, Sewer Advisory Board

3. Grinder Pump Replacement – Bid acceptance.

- a. Clymer summarizes the Sewer Advisory Board Meeting from July 5, 2023.
- SAB voted to accept the bid from Maverick Construction
 - SAB voted to accept the Sewer Newsletter presented to them and asked that the Board see that it is mailed out to every voter every voter.
 - SAB voted to approve a new fee structure and increase the rates for new sewer hook-ups.
- b. Darren from C2AE recaps and gives details of the Grinder Pump replacement bid.
- We took bids for the project and unfortunately, we only received one bid. The advertisement for bids went out Statewide. It was advertised in MIDA ads getting the attention of contractors throughout Michigan. There is a lot of work out there and there were several contractors interested but only one submitted a bid.
 - The Maverick Construction bid was for \$4,666,660. This is above the estimated amount. This project is receiving \$1.8 million in ARPA grant money so the rest of it will be a loan payable back over a 20-year period. Egle has indicated that there are additional monies to continue this project. Darren, Mark and Bond Counsel are working through to ensure that we can get additional funding.

Approved at reg. mtg 7-19-23
Susan Rutledge
Mark Clymer

- iii. Darren explains that the grant funding is capped at \$1.8 million. This would increase monthly rates for the users. Darren put some preliminary numbers together but will be having Warren Cramer, Financial Advisor, review it for accuracy. It is required to include a contingency amount in the costs. Darren is reducing the amount of the contingency from 6% to 2%. All costs associated and taking off the grant amount – the total loan is \$3.23 million dollar loan. Amortization over 20 years at 1.875 interest rate would be about \$13.82 per user per month. This is estimated currently, and it does not include any offset that the millage might come into play.
- iv. Mark passed out a Resolution of Tentative Award of Construction Contract for Wastewater Improvements. This Resolution will have to be adopted if the Board wants to move forward with the project.
- v. Fitzgerald asks if there is any way to scale back the project due to costs. Clymer responds by stating that the SAB reviewed it on July 5, 2023. This project was advised to be done in 2013 to follow up with replacing grinder pumps that have a 15–20-year life expectancy. The SAB felt that scaling the project back is like kicking the can down the road collectively and it would not be the appropriate thing to do especially since we are able to obtain a loan with such a low interest rate and with the State Revolving Fund offering 50% principal forgiveness (unheard of ...once in a lifetime offer due to COVID). The SAB collectively felt that collectively, it was time to accept the bid.
- vi. Clymer explains that if the millage passes, the rates will increase by less than \$10 per month.
- vii. Kozma questions the loan amount. Darren explains the costs of the project. \$4.6 million – minus the ARPA grant plus Engineering and Bond Council soft costs – the loan equals \$3.23 million.
- viii. Schuster asks who is financing. Darren responds with the Treasury Department / State of Michigan. Schuster asks if we can extend the loan to 30 years instead of 20 years. Comments in the room were based around the life expectancy of the pumps similar to where we are now with the 40-year loan.
- ix. ARPA is the American Rescue Plan monies. This is probably the last round available. In the future, if you went through this process in a few years, typically, they only offer a 10% principal forgiveness. The \$1.8 million is guaranteed but there are additional monies available due to the cancellation of some other projects in the State.
- x. Darren explains that the plan was put together a year and a half ago. Due to inflation and the heavy amount of work for contractors right now, the price of contractors is quite escalated right now. Darren feels that this is a worthwhile investment as our pump issues are going to continue. Pricing is never going to decrease. With the grant money that we have and the low interest loan, Darren feels that the Board should move forward with the project.
- xi. Rutledge clarifies that 50% of this loan is forgiven. It works out to be \$1.8 million forgiveness.
- xii. Darren explains again that the Resolution should be made contingent upon EGLE providing additional funding to cover the cost of the project. He again explains that if the scope is reduced, it has several negatives such as only some of the pumps will be replaced and you will have some residents paying for their new pumps and other will be paying but not receiving.
- xiii. The items in the bid include some units for the DPW to install. The items that put it over budget were the grinder stations that are close to \$16,000 each to install. As we go through the project, the needs and costs could be adjusted accordingly.

- xiv. Mark explains some additional information from Jim/Rob – when the sewer in Moran was installed, they were a few years later so they have a plastic tub with a stainless steel exit valve. The current units have seams that are failing, and they all have bronze or brass valves that are also failing. These are being replaced as needed and that is one of the reasons that we purchased the backhoe that we did. The control panels are newer and allow the stop mechanism to kick in if too much amperage is drawn. Our current control panels simply run until they fail causing backups.
- xv. The project is planned for a two-year completion. Financially, the Township will only pay interest until the project is completed. Principal payments will not be expected upon completion of the project.
- xvi. Schuster asks if we can continue to ask for additional grants through the project. Darren explains that no, once committed to the loan – additional grants are not allowed. This has to fall in line with the Egle financial schedule. Bond closing closer to end of August. No construction will start until after the bond closing – September/October so construction would not start until Spring of 2024.
- xvii. Kozma states that based on the first round of numbers, he is not surprised at the costs as a Contractor himself. He feels that of all the things on the Township’s plate, this project is the most important project that we can do. He feels that people are tired of spending money. He feels that we need to complete this project.
- xviii. Clymer explains that we are still under the National average for sewer rates of \$70 per month. We did not raise rates last year so we are somewhat due for an inflation increase in the rates.
 - 1. ***Fitzgerald makes the motion to accept the Bid from Maverick Construction in the amount of \$4,666,650 with the contingency of EGLE providing the additional funding at 1.875% interest on the 20-year loan. Schuster seconds the motion.*** Kozma asks if there will be a certain amount of additional engineering fees. Darren responds with “no” and explains the part 3 application.
 - 1. ***Roll Call vote: Kozma – yes; Schuster – yes; Clymer – yes; Rutledge – yes; Fitzgerald – yes. All in favor – Motion carries.***
- xix. Clymer requests that Darren follow up with Warren on more precise numbers to ensure accuracy. Darren will prep the Resolution for signature and work with EGLE to ensure that the funding is available.

4. Rudy Sherlund invoice for Heritage Park – Susie

- a. We experienced issues in the installation of the sewer for the new bathrooms. Due to wet conditions, we had to contract Rudy Sherlund to complete the project.
- b. Fitzgerald feels that the Heritage Park should not have to foot this total bill and that part of the invoice should be paid out of the Sewer Fund.
- c. Lisa feels that the whole cost should have to come from the General Fund. They are still planning on going to the county for additional funding.
 - i. ***Schuster makes the motion to pay the Rudy Sherlund invoice (approximately \$10,000 invoice) from the general fund. Fitzgerald seconds the motion.***
 - 1. ***Roll Call vote: Kozma – yes; Schuster – yes; Clymer – yes; Rutledge – yes; Fitzgerald – yes. All in favor – Motion carries.***

5. Resolution for Nunn’s Creek Bridge – Mark

- a. The Les Cheneaux Snowmobile Club provided a Resolution form that needs to be completed. The Board already did approve a support letter, but they were actually looking for a resolution of support to be signed.
 - i. **Schuster makes the motion to sign the provided Resolution. Clymer seconds the motion.**
 - 1. **Roll Call vote: Kozma – yes; Schuster – yes; Clymer – yes; Rutledge – yes; Fitzgerald – yes. All in favor – Motion carries.**

6. Sewer installation procedures and costs – Mark

- a. We had some issues that came up are more of a Road Commission issue regarding not repaving after an open cut. The Road Commission is not a taxing authority like the Township is, so they have been trying to make us responsible for it.
- b. The Road Commission is now requiring people to put up \$7,500 to get a road cut or boring permit.
- c. Mark will be talking to Dirk about the specifics.
- d. Our permit applications need to be contingent upon the receipt of the Road Commission permit. Clymer discusses that there are three locations that are currently an issue. The Road Commission has been giving out permits stating that the contractor will repair the road – yet the roads are not getting repaired.
- e. Clymer would like to see that the DPW not hook any sewer systems up until the Road Commission permit has been approved and obtained.
- f. Clymer states that processes have been performed without any sort of procedures. Example, a homeowner on Hessel Point has not been billed for Sewer for a year because the Sewer Billing Clerk was not made aware. The customer came in and paid the fees for hook-up to the Treasurer’s Office, but the Billing Clerk was not aware of the new hook-up. There is an existing form but has never been part of the Building Permit packets but will be made part of the packet.
- g. Two changes to the form were discussed:
 - i. Non-gravity should be \$7,000.
 - ii. THE SAB recommended that the gravity system cost be raised to \$1,200.
- h. The discussion revolves around the fact that maybe the charges are not sufficient. Kozma feels that they are too low in most cases.
- i. Clymer suggests that the Board accepts the form created by the Sewer Bill Clerk and Jim Landreville today and adjust the prices to be more accurate per the actual costs of the job.
 - 1. **Fitzgerald makes the motion to table the discussion/form. Schuster seconds the motion. All in favor – Motion carries.**

7. General discussion:

- i. *Clymer asks Rob from Maverick Construction about check valves on the system in Moran. Moran has 2 check valves on the grinder pumps. This enables the DPW to close off one of the valves to stop backup. Our current pumps were proposed with the second check valves as a separate line item and the decision was made to not include the second check valve at the time of bid acceptance of original installation of sewer equipment. Rob with Maverick Construction verified that the units do need two check valves.*
- ii. *Discussion about the Sewer Newsletter presented to the Board and Clymer noted that there is money in the Sewer fund to support the mailing to all taxpayers and be sent out as soon as possible to educate the taxpayers of the sewer rate increase.*

- iii. *The Sewer Advisory Board has approved the format presented with minimal changes made as of the July 5, 2023, meeting. The Township Board was presented with the "final" SAB approved newsletter.*
- iv. *Township Board decided that edits to the Newsletter should be as follows:*
 - 1. *Kozma feels that the newsletter should list that the loan amount should say that the loan is for \$5.2 million with 50% forgiveness.*
 - 2. *Mark will be making minor changes to the financial part based on his discussion with Warren Cramer.*
 - 3. *Mark feels that there are two major messages to be enforced in the newsletter. The wipes (because of the recent incident and Rutledge confirmed that we still do not have final costs on the incident as bills were still coming in) and the sewer millage.*
 - 4. *Change to the cost of a grinder pump system to reflect more accurately the cost of the total shell and not just the grinder pump. The total cost is \$15,750.*
 - 5. *It was agreed upon that \$5,000 is approved for the mailing of the newsletter. Paula was asked to obtain costs for the St. Ignace News to do the print job.*
 - 6. *Discussion as to who to send the Newsletter to....renters or just property owners? Rob Fraser suggests having the post office do a mailing to all residents of the township for a flat rate fee. It was decided to utilize the same list as the tax bills are sent to.*
 - 7. *Mark will sit down with Erich from the St. Ignace News to write an article and also, he suggests that the Newsletter be posted on the Citizens of Clark Township website along with the Clark Township website. Rutledge says that we will put it on the Clark Township website as well. Note – Jim Keighley/Paula Badour had offered to post the Newsletter on the Citizens of Clark Township website in the Sewer Advisory Board meeting on July 5, 2023.*

1. Rutledge makes the motion to mail the Sewer Newsletter to all property owners as soon as possible at a cost of no more than \$5,000. Schuster seconds the motion. All in favor – Motion carries.

i. Roll Call vote: Kozma – yes; Schuster – yes; Clymer – yes; Rutledge – yes; Fitzgerald – yes. All in favor – Motion carries.

8. Public Comment: LIMITED TO THREE (3) MINUTES PER PERSON FOR NON-AGENDA ITEM

- a. Dave Nordquist suggests that a notification of the Hessel Marina Project be included in the same mailing as the Sewer Newsletter.
 - i. Rutledge and Kozma disagree as the important message is the Sewer message. The date and location of the Hessel Marina Enhancement Project meeting was re-affirmed in conversation.

9. Adjournment

- a. Fitzgerald makes the motion to adjourn. Schuster seconds the motion. All in favor – Motion carries.