



Montrose Charter Township
139 S. Saginaw Street, P.O. Box 3128 Montrose, MI 48457
Phone (810) 639-2021 Fax (810) 639-3207

**Montrose Township Public Hearing Water Main Project
Wilson / Nichols Roads**

PLACE:

Montrose Township Hall, 139 S Saginaw Street, Montrose, MI 48457

DATE:

January 18, 2011

The Meeting was called to order by Supervisor Mark Emmendorfer at 5:30 pm.

The meeting began with The Pledge of Allegiance to the Flag.

Roll Call: Present- Mark Emmendorfer, Fred Domine, Gail Fikes, Gary Keeler, Tom Tithof, Linda Miller, Dan Hill. Absent- 0

Agenda Approval:

Dan Hill made a **Motion** to approve the agenda as written. Support for the motion was given by Tom Tithof.

Business:

Supervisor Emmendorfer introduced Bethany Schroeder of Wade-Trim who gave background information on the project. Beth explained that the township originally thought they could receive ARA Stimulus Money and applied to build thirteen miles of water main in the township. Stimulus Money was only given to "Shovel Ready" projects and Montrose Township's projects did not qualify. Then we applied to the USDA Rural Development Program for a grant. The USDA has a Loan/Grant program which consists of a grant and a low interest loan that is repayable over a forty year term. USDA said that no grants were available. With no grant, the \$6.8 million that we applied for would require every water customer in the township to pay an additional \$50.00 per month on their water bill to pay back the loan. This payment amount was not feasible so we moved on to plan three. It was determined that the best place to start with a water main would be Wilson Road going west from Seymour and then north on Nichols and connecting to an existing eight inch water line going south from the City of Montrose to the Fire Department. We Bid this line out and received a bid of \$438,000.00 to construct this water main.

Nothing has been decided at this point in time and this meeting has been called to receive input from the public and consider adopting a resolution to create a special assessment district for this water line project.

Supervisor Emmendorfer opened the Public hearing at 5:40pm.

Steven Vincent- 14267 Duffield Road. Mr. Vincent asked if this was a question of water purity for the police and fire departments? Emmendorfer replied no. Vincent asked if we could install the water line with volunteer labor. Emmendorfer replied no.

Patricia Payne- 11166 Nichols Road. Ms. Payne asked how did the Board make the determination to charge the residents who already were serviced with water for the installation of the new water main? Emmendorfer gave historical background on the installation of the 8 inch main that services the Fire Department and is hooked to the City of Montrose. This water main was installed to service the Fire Department in the 1970's. The Fire Departments' well had gone dry and the water main was installed with volunteer labor. The pipe was purchased by the township. The township residents who are connected to this water main were never charged for its installation. Emmendorfer said the proposed township line would hook into this existing line. This would provide better water pressure. That township would assume responsibility for the existing line and the billing for water use. The water bills would probably be less then the current ones from the city.

Roger Henry- 11136 Nichols Road. Would this water main be hooked to the water main that is owned by the City of Detroit? Emmendorfer answered yes. Would there be additional charges to customers if Genesee County builds its own water main to Lake Huron. Emmendorfer answered no. Henry asked, what is the life expectancy of the proposed 12" water main? Beth Schroeder said for depreciation purposes it is 50 years but the serviceable life is a lot longer.

Dennis Edenburn- 11175 Nichols Road. Mr. Edenburn asked when the existing water line that serves the Fire Department was constructed. Emmendorfer said the early 1970's. Edenburn said that he thought that the line was a 6 "line but Emmendorfer assured him we had determined it to be an 8" line.

Jerry Smith- 10361 Wilson Road. Mr. Smith asked about payment for the water line if it is constructed. Would the money have to be paid up front by the property owners or could a payment schedule be set up? Emmendorfer said the Township Board would determine a payment schedule. The maximum number of years payments can be scheduled is twenty years. A \$1,000.00 Tap In fee would have to be paid to Genesee County.

Andrew Brant- 10361 Wilson Road. Does the assessment have to be paid off upon sale of the property? Emmendorfer deferred to attorney Austin. Attorney Austin replied usually they are required to be paid off, but this is not necessarily always so. Mr. Brant gave his support for the project.

Mary Taylor- 10295 Wilson Road. Ms. Taylor asked how long do wells last? Emmendorfer said the wells should last for a number of years but the pump and related equipment has a life expectancy of approximately 15 years.

Supervisor Emmendorfer took some time to explain the economics of constructing the water line. The Township was originally led to believe that we could get the water line constructed for \$200,000 to \$300,000 per mile. The bid for the water line came back at \$438,000 plus \$92,000 for engineering and inspections. \$530,000 is more than the

township can afford to spend at this time. This would equate to \$13,500.00 for every parcel serviced by the water line. This amount would also deplete our Water Fund and we would have nothing left for emergency situations. Emmendorfer said based on these numbers, he did not know how we could make this project happen.

Dennis Tupper- 10320 Wilson Road. Dennis said that he has had four wells drilled and that he was for the Water Line and so is his mother who lives at 10338 Wilson Road. They will both hook up to the water line when it is available.

Dean Johnson- 10257 Wilson Road- Dean said that he has good water. It will probably be cheaper to do now than later on.

John Newcomer- 11201 Nichols Road. John asked about the township waving the township tap in fee. Mark said this has been discussed. Newcomer asked what the total cost to property owners would be? Emmendorfer said approximately \$6,000 to \$8,000. John asked how much a water bill runs per month. Emmendorfer answered \$27- \$30 per month

Rich Cummings- 8113 Dodge Road- "I have vacant property where the water line will be constructed. How many years will the assessment be for". Emmendorfer explained that the length of time for the assessment has not been determined but it can not be for more than 20 years. Cummings asked, if the tap in fee is waived, how long a time period would people have to hook up to water and not pay the tap in fee. Emmendorfer said this has not been determined.

Patricia Payne asked if the township had lost funding for the water line. Emmendorfer explained that the township never had funding. The township applied for water line funding using stimulus money and grants but was turned down. Payne asked about using the Impact Fund money to pay for the water line. Emmendorfer told her Impact money is to be used to benefit the whole township and a water line would not fit this category. Emmendorfer said the township Board did borrow money from the Impact Fund to pay off a sewer line but this money is being paid back with interest.

Cheryl Henry- 11136 Nichols Rd. Would the money come from the Water Fund for each of the three scenarios presented for the Township to pay 40%, 50%, or 60% of the water line cost? Emmendorfer answered yes. Will the assessment billing be based per parcel and not the linear feet of property owned? Emmendorfer said yes. Henry asked if the Consumers Energy easement would be charged an assessment. Emmendorfer said it would have to be a buildable lot in order to be assessed. Do all of the people have to agree to hook up to water in order for this project to proceed with project? Emmendorfer said not necessarily.

Tom Tithof asked if the cost scenarios presented to the Board for the parcels in the water line district were accurate. Emmendorfer replied yes based on the numbers that were used to determine them. Emmendorfer said the bottom line is that the water line total cost would be \$488,700 and we currently have \$454,000 in our Water Fund. So, if we completely depleted the Water Fund we would still have to borrow \$34,700.00 to make the project happen. Emmendorfer said it would not be a good idea to completely deplete the Water Fund. So, if we left \$100,000.00 in the Water Fund and borrowed \$134,700.00

the additional interest costs would impose a greater burden on the property owners. Tithof asked if the figures for 60/40 scenario, whereby the residents pay 60% and the township paid 40% of the water main costs included borrowing the money and the interest on the loan. Emmendorfer replied no and referred the question to Beth Schroeder. Schroeder confirmed that the numbers presented were based on the bid price alone and were based on the premise of the township paying for the water line with out financing or interest charges. Schroeder said the township board as a result of tonight's hearing has to make a decision whether to continue with the project and consult with a financial consultant to get more exact numbers or to shelve the project for the time being. This decision will have to be made based on how the Board perceives the publics interest in continuing the project as a result of this meeting.

Supervisor Emmendorfer closed the Public Hearing at 6:32pm.

Tom Tithof asked if the clerk had a tally of the numbers of people from the water main assessment district who had responded either for or against continuing with the project. Fred Domine said yes, of the respondents there were 5 yeas and 9 nays. This number includes the people that declared their positions tonight.

Gary Keeler made a **Motion** for the Montrose Township Board to not proceed with the resolution creating the Special Assessment District for the Wilson/Nichols Road water line. Support for the motion was given by Dan Hill. Vote- Gail Fikes (yes), Tom Tithof (yes), Gary Keeler (yes), Dan Hill (yes), Linda Miller (yes), Mark Emmendorfer (yes), Fred Domine (yes). Motion passed.

Citizens Comments: None

Adjournment:

Gary Keeler made a **Motion** to adjourn the Public Hearing. Support for the motion was given by Gail Fikes. The Public Hearing adjourned at 6:45pm.

Submitted by
Fred Domine, clerk

Mark Emmendorfer, Supervisor

Fred Domine, Clerk

Mark Emmendorfer Supervisor **Fred Domine** Clerk **Gail Fikes** Treasurer
Dan Hill Trustee **Gary Keeler** Trustee **Linda Miller** Trustee **Tom Tithof** Trustee