

# Filer Township DDA Special Meeting Minutes

Chairperson	Laura Horvat
Vice-Chair	Robert Yates
Treasurer	Tim Fogarty
Supervisor	Terry Walker
Member	Tony Gagliardo
Member	Connie Grenn
Member	Phil Peralta
Member	Ed Williams
Member	Larry Bielski
Director	Tamara Buswinka

June 22, 2015

5:00pm

Filer Township Hall  
2505 Filer City Road, Manistee, MI 49660  
231-723-3138

Public comment on agenda items may be solicited during schedule discussion. Agenda time may begin prior to the scheduled hour if items are completed in less time than allotted. In the interest of time public comment may be limited to once per issue per speaker not to exceed three (3) minutes. If a group of people wish to be heard on one subject, a spokesperson may be requested.

## Call to Order/Pledge of Allegiance

Yates called the meeting to order at 5:00pm.

## Roll Call

*Members Present:* Yates, Fogarty, Walker, Gagliardo, Grenn, Peralta, Williams, Bielski

*Members Absent:* Horvat

*Others Present:* Buswinka, Brian Sousa (Wade Trim)

## Consideration of Minutes from June 2, 2015

Gagliardo moved, supported by Peralto, to approve the minutes. Motion passed unanimously.

## Ad Hoc Sewer Committee Report/Waste Water Collection and Treatment Development Report

Buswinka read the correspondence from Attorney Eric Williams. The letter is attached to the minutes.

Fogarty reported that the Ad Hoc Sewer Committee met to discuss the most recent status of negotiations with the City of Manistee to provide waste water treatment for Filer Township Special Assessment District. The Committee requested that the DDA provide guidance in the negotiations. Fogarty explained that the City is requesting a 1 million dollar connection fee. The City determined that fee by charging \$8/1,000 gallons of waste water treated. Filer is requesting that the City agree to treat 125,000 gallons of waste water a day. Filer has previously agreed to pay \$400,000.00 to connect to the City.

Sousa gave a brief overview of the financial implications of partnering with the City with a \$1 million connection fee over time.

Grenn and Gagliardo expressed that a connection fee is perhaps not even necessary considering Eric Williams Memo.

The Board discussed that they are still waiting to hear from the LRBOI regarding their rate study. The Tribe may still be an option. Yates and Gagliardo spoke about resolving conflict with the Tribe versus with a local unit of government. Trust and lack of representation are factors to consider in both options.

The Board agreed to take Eric Williams advise as stated in his June 19<sup>th</sup>, 2015 Memo.

## Public Comment

No public comment.

## Adjournment

The meeting adjourned at 5:30pm

## Next Regularly Scheduled Meeting Tuesday, July 7, 2015 at 4:30pm

A meeting informational packet is available for public inspection at the Filer Township office, 2505 Filer City Road. The Filer Township DDA does not discriminate on the basis of disability in the admission or access to, or treatment or employment in its programs or activities. The DDA Chairperson has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the Americans with Disability Act, and the rights provided thereunder, are available from the DDA.

## MEMORANDUM

**TO:** Filer Charter Township Board  
Filer Township DDA Board

**FROM:** Eric D. Williams, special counsel

**RE:** wastewater treatment agreement

**DATE:** June 19, 2015

### BACKGROUND

Negotiations with the City of Manistee over the terms of an agreement for the treatment of wastewater have reached a breaking point.

### ISSUES

The primary issue is basic: how much will it cost Filer Charter Township and its customers for the City of Manistee to treat the wastewater?

The City proposed an attractive base rate of \$10.83 per 1,000 gallons. But the City will not assure Filer Charter Township (by contract) that the cost and corresponding rate increases for upgrades to the entire City collection system will not be passed on to the Township. That is significant, because the potential cost is likely to be in multiples of millions of dollars.

The City requires Filer Charter Township to purchase capacity in the City wastewater treatment plant at the rate of \$8.00 per 1,000 gallons of flow. The 125,000 gallons of guaranteed capacity will cost Filer Charter Township \$1,000,000. This cost is in addition to the rates charged for treatment.

There is no basis for charging the \$1,000,000 other than the calculated cost to build the plant. Nobody is standing in line to purchase capacity in the City treatment plant, other than Filer Charter Township. What it cost to build it is not necessarily the price to purchase the right to send wastewater to the plant for treatment. The City's position on demanding or requiring \$1,000,000 is good for the City, but it seems excessive for Filer Charter Township.

**If the City wastewater rates cover the cost of operations, why charge \$1,000,000 for the 125,000 gallons of capacity?**

Without challenging the City on how it sets its rates and manages its wastewater treatment plant, Filer Charter Township should offer \$400,000 to purchase the 125,000 gallons of capacity, or stop the negotiations.

With Filer Charter Township having to pay the same rate increases as City customers going forward including all pro-rata costs of treatment plant and collection system upgrades within the City of Manistee, the \$1,000,000 price for existing unused capacity of 125,000 gallons average daily flow is too much.

### RECOMMENDATION

I recommend that the DDA and Township Board authorize up to \$400,000 for purchase of 125,000 gallons average daily flow capacity, but no more.



Eric D. Williams

EDW/jlc