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- Voice: [800-833-7833](tel:800-833-7833) (toll-free)

PUBLIC NOTICE OF ELECTRONIC MEETING OF THE VILLAGE OF SHELBY WATER & SANITATION COMMITTEE MEETING – JULY 28, 2020

Pursuant to the provisions of Executive Order No. 2020-154 issued by Governor Gretchen Whitmer on July 17, 2020 notice is hereby given that the **Shelby Village Council will hold an electronic public meeting on July 28, 2020 beginning at 3:15 P.M.** This meeting is a regularly scheduled Council meeting with will be conducted electronically.

The reasons for holding an electronic public meeting are to limit the spread of COVID-19 (novel coronavirus) and to remain in compliance with Governor Whitmer's Executive Order 2020-110, which prohibits indoor social gatherings and events of more than 10 people.

The electronic public meeting will be held via Zoom. Please click the link to join the Zoom meeting online: <https://tinyurl.com/ShelbyWSC0728>. The public may also participate in the electronic public meeting by calling +1 312 626 6799 and entering the Meeting ID: 821 4022 5430 and Password: 032010 when prompted.

The public will be able to listen to all discussion by Council members and will be permitted to speak for **up to 3 minutes** during the public comment section of the agenda.

Members of the public, whether or not they are joining the electronic public meeting, may submit written comments and questions regarding any matter, including items of business that will come before the Village Council. Written comments and questions may be submitted at any time.

- Those submitted prior to 12:00 noon on Monday, July 27, 2020 will be copied and included in the agenda packet for the meeting.
- Those submitted subsequent to 12:00 noon on Monday, July 27, 2020 but prior to the citizen comments portion of the agenda will be read aloud during the public comment portion of the agenda.
- Those submitted subsequent to the public comment portion of the agenda will be read aloud during the communications and committee reports section of the agenda.
- The Village reserves the right to summarize long written comments and questions rather than reading them aloud but will provide Village Council members the full text of these comments subsequent to the meeting.

To be considered for inclusion in the agenda packet or to be read aloud during the meeting, public comments and questions must include the name and home address of the person submitting them and must not include language that would be considered vulgar or be interpreted as hate speech or fighting words. The comments and questions should also indicate the date of the electronic public meeting for which they are being submitted. **Written comments and questions should be submitted to administrator@shelbyvillage.com.**

Persons with disabilities who require assistance in order to participate in the electronic public meeting should contact the Village at the earliest opportunity by emailing administrator@shelbyvillage.com or by calling 231.861.4400 prior to 4:30 P.M. on Monday, July 28, 2020.

You may also utilize Michigan Relay Service which provides telecommunications relay services for the state of Michigan including TTY, Voice Carry Over (VCO), Hearing Carry Over (HCO), Speech-to-Speech (STS), Spanish and CapTel®. Dial 711 to use Michigan Relay Service or visit hamiltonrelay.com/michigan.

Phone: 231.861.4400 | Fax: 231.861.7449 | www.shelbyvillage.com

218 N. Michigan Ave | Shelby, MI 49455



Procedure for Virtual Public Meeting

Governor Whitmer issued Executive Order Number 2020-154 on Friday, July 17, 2020 to allow local government bodies (including their boards and commissions) to conduct remote meetings and expressly suspended compliance with section 3 of the Open Meetings Act to alleviate physical presence requirements in recognition of the threat imposed by the COVID-19 virus. In order to comply with Executive Order 2020-154 and to best meet the intent of the Open Meetings Act, the Village of Shelby shall:

- Continue with regularly scheduled Council Meetings, as deemed essential, via Zoom videoconferencing and teleconferencing.
- The Village is committed to staying as accessible as possible. Due to the limitations of technology, Village staff encourages residents to send an email with your comments to administrator@shelbyvillage.com that will be read into the public record. This will decrease the demand on our virtual meeting infrastructure. Thank you in advance for your understanding.
- For those who prefer to use a telephone to participate, you will need to call +1 312 626 6799 and enter the Meeting ID Number and Password (information posted below). When prompted, enter a participant number or just touch the # key. **During the call, use *9 to “raise hand” and you will be called on by the last 4-digits of your phone number.** (For example, my last digits are 8296. Callers will be asked to speak by referencing the last 4-digits of their phone number.) Note: Telephone participants will have their phone numbers masked, to protect their privacy.
- Please remain patient as staff will do our best to assist everyone but be advised for virtual meetings there will be a strict three (3) minute limit for public comments.
- Zoom is available: as an app on Mobile and Tablet; as an app on PC/Mac laptops and desktops with audio and video capabilities; or dial-in via phone.
- **Participants or “public” will be muted during the meeting and must “raise hand” to be called on, during the public comment period.**
 - If you are participating via telephone dial-in, use *9 to “raise hand” and you will be called on by the last 4-digits of your phone number.
 - If you are participating via the Zoom app, simply click “raise hand” and you will be called on by the meeting host.

For assistance or questions for accessing and/or making public comment during the meeting, please reach out to Rob Widigan at 231-861-4401 or by email: administrator@shelbyvillage.com.

The Village again thanks everyone in advance for your patience and cooperation during this very unique time.

Phone: 231.861.4400 | Fax: 231.861.7449 | www.shelbyvillage.com

218 N. Michigan Ave | Shelby, MI 49455

Topic: Water & Sanitation Committee Meeting – Peterson Farms Watermain

Time: Jul 28, 2020 03:15 PM Eastern Time (US and Canada)

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join:

<https://us02web.zoom.us/j/82140225430?pwd=ZjdodDE1ZlpuaC9GdW41M2hzNzc4UT09>

Meeting ID: 821 4022 5430

Passcode: 032010

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

+1 929 205 6099 US (New York)

+1 312 626 6799 US (Chicago)

Meeting ID: 821 4022 5430

Passcode: 032010

Find your local number: <https://us02web.zoom.us/j/82140225430?pwd=ZjdodDE1ZlpuaC9GdW41M2hzNzc4UT09>

AGENDA

Water and Sanitation Committee
Tuesday, July 28, 2020
Committee Meeting 3:15 P.M.



VIA ZOOM ONLY

Agenda Topics:

1. Call to Order:
2. Roll Call:
3. Pledge of Allegiance:
4. Review minutes of the previous meeting:
 - a) December 11, 2019 **AR**
5. Additions to Agenda:
6. Old Business:
 - a) None
7. New Business:
 - a) USDA Loan Application – Peterson Farms Watermain Extension **AR**
8. Public Participation (Public Comment Process on back of agenda):
9. Adjournment:

AR-Action Requested
D-Discussion Item

Zoom Public Participation Process

1. Each citizen may speak for a maximum of three (3) minutes during the Public Participation or Public Hearing period.

The electronic public meeting will be held via Zoom. Please click the link to join the Zoom meeting online: <https://tinyurl.com/ShelbyWSC0728>. The public may also participate in the electronic public meeting by calling +1 312 626 6799 and entering the Meeting ID: 821 4022 5430 and Password: 032010 when prompted.

- 2. Participants or “public” will be muted during the meeting and must “raise hand” to be called on, during the public comment period.**
 - a. If you are participating via telephone dial-in, use *9 to “raise hand” and you will be called on by the last 4-digits of your phone number.
 - b. If you are participating via the Zoom app, simply click “raise hand” and you will be called on by the meeting host.
3. Citizens will be acknowledged by the Zoom meeting host and will address all comments to the Council.
 - a. Citizen speakers will address the Council and will begin their remarks by stating their name and address.
 - a. Discussions between citizen speakers and members of the audience will not be allowed.
 - b. Citizens who have prepared written remarks or supporting documents are encouraged to leave a copy of such remarks with the Village Clerk for inclusion in the Council minutes.
 - c. Citizen speakers are to express their own views, rather than speak for others.
 - d. Citizen speakers are to address Council, on the agenda or policy in question, not on personalities of the Village Officials or other members of the public. Challenge ideas, not people.
4. Avoid talking while others are speaking.
5. Respect agreements about time.
6. The Zoom meeting host will exercise his/her right to cut off discussions that are too personal, too loud, or too crude.

VILLAGE OF SHELBY
Water and Sanitation COMMITTEE MEETING
Wednesday, December 11, 2019
COMMITTEE PROCEEDINGS



1. CALL TO ORDER: The Water and Sanitation Committee Meeting was called to order at 12:04 P.M. by Committee Chair Bill Harris.

2. ROLL CALL:

Answering the roll call: Steve Crothers, Paul Inglis, and Bill Harris.

Staff present: Village Administrator Robert Widigan, Clerk/Treasurer Crystal Budde, and DPW Supervisor Greg MacIntosh.

3. PLEDGE OF ALLEGIANCE: All stood for the Pledge.

4. MINUTES:

a.) September 3, 2019

Paul Inglis moved to approve the minutes of the Water and Sanitation Committee meeting of September 3, 2019 as corrected.

Seconded by: Steve Crothers.

Voice Vote: All in favor.

Motion Carried.

5. CITIZEN PARTICIPATION: No Citizen Participation.

6. OLD BUSINESS: No Old Business.

7. NEW BUSINESS:

a.) Water Bills

Village Clerk/Treasurer has found that the full-page water billing is not only very time consuming, but it is also very costly. The Village will save money by switching back to the past cards, as well as cutting back a significant amount of staff time that is spent matching past due/shut off notices to the current bill and running the stuffing and sealing machine. Furthermore, many residents come in to pay their water bill, and simply throw out the newsletter without reading it. Below is the current cost breakdown of full-page billing and newsletter vs. post cards based on 719 mailed water bills. As opposed to sending monthly newsletters to each resident, Ms. Budde is recommending that the Village create a monthly newsletter of significant information to be posted in the Village Hall, on the Village's website, Village Facebook page, and other numerous locations in the Village.

Current Cost Breakdown:

	<u>Monthly</u>	<u>Annually</u>
Full Page bills		
Billing Paper	\$50.33	\$603.96

Envelopes	\$43.14	\$517.68
Postage	\$359.90	\$4,318.80
Newsletter (Paper)	\$45.00	\$540.00
Equip. Maintenance	\$54.17	\$650.00
Total	<u>\$552.54</u>	<u>\$6,630.44</u>

Post Cards

Card Stock	\$43.14	\$517.68
Postage	\$251.65	\$3,019.80
Total	<u>\$294.79</u>	<u>\$3,537.48</u>

Total Savings **\$257.75** **\$3,092.96**

Paul Inglis moved to recommend to the Village of Shelby Council that the Village switch to post card billing, and develop a newsletter of significant information to be posted in the Village Hall, on the Village's website, the Village's Facebook page, and other depositories.

Seconded by: Steve Crothers.

Voice Vote: All in favor.

Motion Carried.

b.) Water Tower Update

VA Widigan spoke with Eric Binkowski from Dixon Engineering and everything is on track for the Village's Water Tower project. The Village will need to decide on the color of the water tower and the lettering and/or logo. Dark colors are not recommended, as they can cause the inside of the tank to become too warm. Leaving options of white or light purple. The options of the lettering and logo are as follows:

a.) Paint the entire tower white or off white and have purple lettering that says "Shelby" on the north and south side of the tower.

b.) Paint the entire tower white or off white and have purple lettering that says "Shelby" on the south side of the tower. On the north side, facing the school, have the logo of (the bold "S" with "Tigers" across it or just the bold purple "S").

c.) Paint the tower the same lighter color purple of the bold purple "S" and paint "Shelby" on the north and south side of the water tower in white.

Steve Crothers moved to recommend to the Village Council to approve VA Widigan to receive quotes for all options for the painting of the Village of Shelby water tower.

Seconded by: Paul Inglis.

Voice Vote: All in favor.

Motion Carried.

c.) Water Rate Study

The Committee discussed the options of the results of the water rate study performed with Mike Engels with Michigan Rural Water Association. Mike's recommendation for the water rate increase was significant and the Committee does not want to have a large rate increase at one time. The Committee will meet again later and discuss

other options to recommend to the Village Council.

8. ADJOURNMENT: Paul Inglis moved to adjourn the meeting at 12:46 P.M.

Seconded by: Steve Crothers.

Voice Vote: All in favor.

Motion Carried.

Committee minutes are not official until approved at the next Committee meeting.

Approved

Minutes Respectfully Submitted by Crystal Budde, Village Clerk

Date

Date: July 28, 2020

To: Water and Sanitation Committee

From: Robert Widigan, Village Administrator

RE: USDA Loan Application – Peterson Farms Watermain Extension

SUMMARY OF REQUEST

Recap: Since Fall of 2019, EGLE (Michigan Department of Environment, Great Lakes, and Energy), the USDA (United States Department of Agriculture), and MDARD (Michigan Department of Agriculture & Rural Development) has been working with the Village of Shelby and Peterson Farms to evaluate the feasibility of extending the Village's watermain from the Village of Shelby north to Peterson Farms (Oceana Acres Residential Development).

Peterson Farms currently owns a total of nine apartment buildings that have been recently constructed. Three (3) apartment buildings are near the intersection of Oceana Drive and Baseline Road and six (6) buildings at the northeast corner of 88th Avenue and Baseline Road. Currently, the apartment buildings use water from wells that were drilled for each building. Peterson Farms is now seeking to purchase water from the Village of Shelby's, Type I water system.

In October of 2019, Fleis & VandenBrink conducted a feasibility study and determined the predesign construction cost estimate is \$2.68M. The State and Peterson Farms paid for the feasibility study for this potential project.

Based on the estimated water usage and rates, the annual revenue from the Oceana Acres apartments of \$26,147 would cover the estimated annual operation, maintenance, and replacement costs of \$25,000.

Thus far, the Village has maintained a \$0 cost to Village taxpayers. This was due to initial conversations between the Village Administrator and State partners. It was made clear that the Village is 100% willing to make this watermain extension project happen, as long as it is at zero cost to the Village residents, and other stakeholders.

EGLE agrees that the Village should not be expected to incur any capital costs related to the extension of the water line other than providing for the ongoing operation and maintenance of the line after it is installed.

The State has set aside funds that will be used to support this project. EGLE remains in close contact with Federal partners to ensure the project is fully funded.

EGLE hosted a call earlier this month with local, state, and federal partners to discuss this project in more detail.

What's Being Discussed Today: Before you are three letters: One from MEDC and one from EGLE, each contributing \$800,000 of funding for the extension of the watermain, for a total of \$1.6M. The last letter is from Peterson Farms, who stands ready to provide the additional financial support to help bridge the approximate \$1.1M project difference between the \$2.7M estimated by Fleis & VandenBrink in its October 2019 feasibility study and the \$1.6M being funded by MEDC and EGLE.

As Mr. Kiefer mentions in his attached email, all three letters are not binding commitments, and the MEDC letter references the standard MEDC Grant Agreement. The standard MEDC grant agreement contains several conditions and requirements that will need to be fulfilled by the Village.

I have also included the October of 2019 feasibility study conducted by Fleis & VandenBrink which determined the predesign construction cost estimate is \$2.68M. The State and Peterson Farms paid for the feasibility study for this potential project.

Please note: If the below motion is approved, it is only to fill out a USDA-RD loan application – it is not signing any loan documents or locking the Village of Shelby into any loan and/or grant agreements.

Outstanding Questions:

1. Will the Village be the applicant for the USDA Loan?
 - a. If not, then who?

2. If yes, then what type of security can the Village pledge, without being a backstop for the loan?

FINANCIAL IMPACT

None.

BUDGET ACTION REQUIRED

None.

STAFF RECOMMENDATION/SUGGESTED MOTION

Motion by _____ seconded by _____ to authorize the Village Administrator or Interim Village Administrator to continuing working with Paul Bristol, Area Specialist with USDA-Rural Development and Bond Counsel James Kiefer with Dykema to move forward with the USDA loan application.

Recognizing that the Village of Shelby is not pledging its Full Faith and Credit or assuming any responsibility to pay any loan debt back to the USDA.

COMMITTEE RECOMMENDATION

None.

Robert Widigan

From: Kiefer, James <JKiefer@dykema.com>
Sent: Friday, July 24, 2020 3:42 PM
To: Robert Widigan; Bristol, Paul - RD, Grand Rapids, MI
Cc: Kiefer, James
Subject: RE: Letters From EGLE And MEDC Re: Peterson Farms

Rob and Paul:

As I have discussed with Rob, the letters from MEDC and EGLE are very promising. This is the first that we have written confirmation from these entities with dollar amounts attached. Likewise the "gap funding" letter from Peterson Farms is encouraging.

Of course all three letters are not binding commitments, and the MEDC letter references the standard MEDC Grant Agreement, which I would expect. The standard MEDC grant agreement contains a number of conditions and requirements that will need to be fulfilled by the Village.

I think this is enough to move forward with the USDA application, but the Village should be aware of that it does not have binding commitments from any of the three parties at this time. Hopefully we can submit the application in a timely manner and then quickly get to a point of determining the final source of funding for the project.

As an added matter, to the extent that the USDA can only provide a loan (with no grant funds), then it would be worthwhile considering a financing approach that has all three parties (MEDC, EGLE and Peterson Farms) making a cash deposit with the Village for the project. I am not sure it would be cost effective for the Village to enter into a Loan Agreement with the USDA only for the Village to have to rely on Peterson Farms to repay the loan over a 30 year period.

Happy to discuss in more detail if that would be helpful.

Jim

James P. Kiefer
Dykema
517-374-9126 Direct
517-449-0947 Cell
jkiefer@dykema.com

201 Townsend Street, Suite 900
Lansing, Michigan 48933
www.dykema.com

-----Original Message-----

From: Robert Widigan <administrator@shelbyvillage.com>
Sent: Friday, July 24, 2020 10:08 AM
To: Kiefer, James <JKiefer@dykema.com>; Bristol, Paul - RD, Grand Rapids, MI <paul.bristol@usda.gov>
Subject: Letters From EGLE And MEDC Re: Peterson Farms

*** EXTERNAL***

Happy Friday:

As of July 23, 2020, I have received three letters; one from MEDC and one from EGLE, each contributing \$800,000 of funding for the extension of the watermain, for a total of \$1.6M. The last letter is from Peterson Farms, who stands ready to provide the additional financial support to help bridge the approximate \$1.1M project difference between the \$2.7M estimated by Fleis & VandenBrink in its October 2019 feasibility study and the \$1.6M being funded by MEDC and EGLE.

Attached is an email from Richard Raffaelli outlining that he believes are next steps - you'll note he shows #1 as "1. Village Water and sanitation approve moving forward with the USDA application (MEDC and EGLE support)". What are your thoughts, Jim? RW.

*** Notice from Dykema Gossett PLLC: This Internet message may contain information that is privileged, confidential, and exempt from disclosure. It is intended for use only by the person to whom it is addressed. If you have received this in error, please (1) do not forward or use this information in any way; and (2) contact me immediately. Neither this information block, the typed name of the sender, nor anything else in this message is intended to constitute an electronic signature unless a specific statement to the contrary is included in this message.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
LANSING



LIESL EICHLER CLARK
DIRECTOR

July 22, 2020

VIA EMAIL

Mr. Robert Widigan, Village Administrator
Village of Shelby
218 North Michigan Avenue
Shelby, Michigan 49455

Dear Mr. Widigan:

In October 2019 the village of Shelby and Fleis & VandenBrink completed a feasibility study to determine if a watermain can be extended to provide drinking water to residents in the housing units located at Peterson Farms. The feasibility study indicated the line can be extended. The estimated cost to complete the nearly three-mile extension is \$2,687,000.

The Michigan Department of Environment, Great Lakes, and Energy (EGLE) will contribute \$800,000 of funding for the extension of the watermain. Once the remaining funding for the project has been identified from other entities, EGLE will enter a grant agreement with the village of Shelby similar to the grant agreement used for the feasibility study and provide funding on a reimbursement basis.

EGLE looks forward to continuing to partner with the village of Shelby, Peterson Farms, and others to assure the success of the project.

Sincerely,

Liesl Eichler Clark
Director
517-284-6712

cc: Mr. Richard Raffaelli, Peterson Farms
Mr. Mark Burton, Michigan Economic Development Corporation (MEDC)
Ms. Amanda Bright McClanahan, MEDC
Mr. Aaron B. Keatley, Chief Deputy Director, EGLE
Ms. Amy Epkey, Senior Deputy Director, EGLE



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

July 22, 2020

Robert Widigan, Village Administrator
Village of Shelby
218 N. Michigan Avenue
Shelby, MI 49455

Dear Mr. Widigan:

In October 2019, the Village of Shelby and Fleis and Vandenbrink completed a feasibility study to determine if a watermain can be extended to provide drinking water to residents in the housing units located at Peterson Farms. The feasibility study indicated the line can be extended. The estimated cost to complete the nearly three-mile extension is \$2,687,000.

The Michigan Economic Development Corporation (MEDC) and Michigan Strategic Fund (MSF) will contribute \$800,000 of funding for the extension of the watermain. Once the remaining funding for the project has been identified from other entities, MEDC/MSF will enter a grant agreement with the Village of Shelby consistent with the requirements of the program being used to support this contribution.

MEDC looks forward to continuing to partner with the Village of Shelby, Peterson Farms, and other critical stakeholders to assure the success of the project.

Sincerely,

Mark A. Burton
Chief Executive Officer, MEDC
President and Chair, MSF

cc: Liesl Clark, EGLE
Aaron Keatley, EGLE
Amy Epkey, EGLE
Richard Raffaelli, Peterson Farms
Amanda Bright McClanahan, MEDC
Jill Trepkoski, MEDC
Julia Veale, MEDC
Greg West, MEDC

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www.petersonfarmsinc.com

July 23, 2020

Mr. Robert Widigan
Village Administrator
Shelby Village
218 N Michigan Avenue
Shelby, MI 49456

Dear Mr. Widigan,

In concert with the October 2019 extended watermain feasibility study prepared by Fleis & VenderBrink on behalf of Shelby Village, please let this letter represent a confirmation of support from Oceana Acres LLC and its affiliate Peterson Farms, Inc. (collectively "Peterson Farms"). Accordingly, Peterson Farms stands ready to provide the additional financial support to help bridge the approximate \$1.1 million project difference between the \$2.7 million estimated by Fleis & VenderBrink in its October 2019 feasibility study and the \$800,000 being funded by the Michigan Department of Environment, Great Lakes and Energy (EGLE) and \$800,000 being funded by MEDC. Please be advised that this letter of support is being provided without all of the facts underlying the project and may be subject to change after review of all necessary information related to the project. The project will not proceed into the construction phase without the written approval of Peterson Farms or our portion of the funding may be retracted.

As one of Oceana Counties largest employer, Peterson Farms is eager to support those Village projects that enhance the municipal services provided to its footprint and our community's residents. We appreciate the support of the village to ensure we continue an upward journey of economic development. Should you have any questions, please do not hesitate to contact me (231 861-6333 (ext. 341).

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Raffaelli". The signature is fluid and cursive, written over a white background.

Richard Raffaelli
Chief Operating Officer
Peterson Farms, Inc.

Peterson Farms, Inc.
3104 W. Baseline Road
PO Box 115
Shelby, MI 49455
Tel. 231-861-6333

Peterson Farms Fresh, Inc.
3104 W. Baseline Road
PO Box 95
Shelby, MI 49455
Tel. 231-861-6333

Oceana County Freezer Storage, Inc.
4730 W. Shelby Road
PO Box 116
Shelby, MI 49455
Tel. 231-861-6575

DRAFT

PETERSON FARMS WATERMAIN EXTENSION FEASIBILITY STUDY

Village of Shelby, Michigan



October 2019
Project No. 837770

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APPENDIX

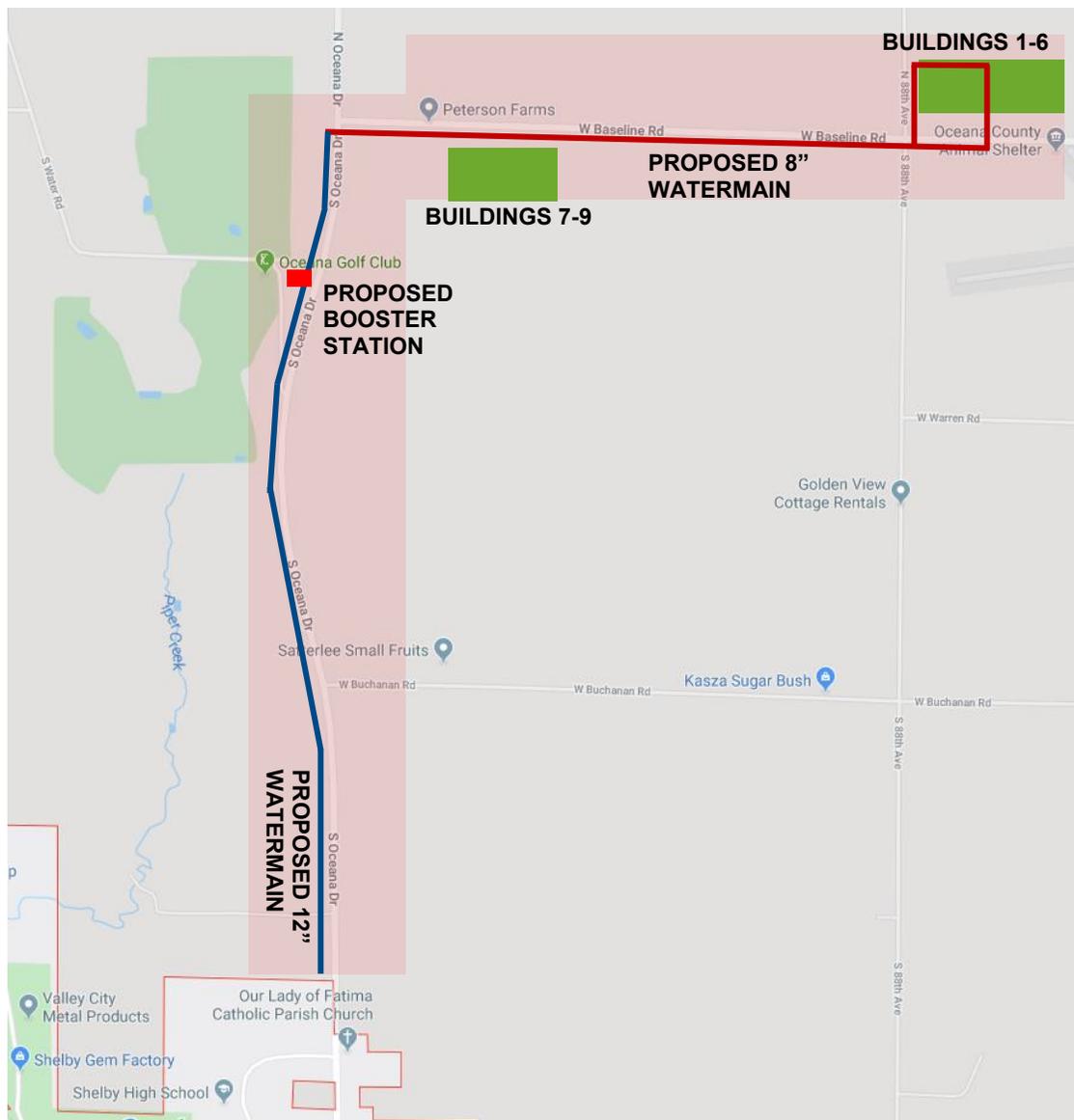
- Engineer’s Estimate of Project Costs
- Engineer’s Estimate of Operation & Maintenance Costs

WATERMAIN EXTENSION FEASIBILITY STUDY

OVERVIEW

The purpose of this Engineering Study is to evaluate the feasibility of extending watermain from the Village of Shelby north to Peterson Farms (Oceana Acres Residential Development). Peterson Farms currently owns a total of nine apartment buildings that have been recently constructed. Three (3) apartment buildings are near the intersection of Oceana Drive and Baseline Road and six (6) buildings at the northeast corner of 88th Avenue and Baseline Road. Currently, the apartment buildings use water from wells that were drilled for each building. Peterson Farms is now seeking to purchase water from the Village of Shelby's, Type I water system.

Figure 1. Proposed Project Area (Source Google Maps)



EXISTING CONDITIONS

The Village of Shelby’s water system currently serves 708 customers, consisting of mostly residential with a few commercial and industrial customers. The system is supplied by four (4) ground water wells and one elevated storage tank. The wells firm pump capacity is 1,405 gallons per minute (gpm) with an existing maximum demand of 169 gpm and projected 20-year future maximum demand of 186 gpm. The water storage tank has a capacity of 200,000 gallons which provides sufficient fire flow for residential and commercial flow of 1,000 gpm and 2,000 gpm respectively. The system also consists of two (2) booster stations that regulate pressures within the two designated high-pressure districts. Presently, the Village has an emergency response plan that consists of two backup generators with the capability to power two wells.

In November of 2018, hydrant testing was performed by Fleis & VandenBrink and Village staff as part of updating the Village’s water reliability study. One of the hydrant flow tests taken was at the northern limits of the Village along State Street (Oceana Drive), where the proposed connection point of this project exists. The results of this test are shown in Table 1 below.

Table 1. Hydrant Flow at Connection Point

Test Location	Nozzle Size (in)	Static (psi)	Residual (psi)	PITOT (psi)	Actual Hydrant Flow (gpm)	Calculated Flow at 20 psi (gpm)
Hydrant at northern Village Limits on State Street	2.5	52	38	38	1,033	1,600

FEASIBILITY ANALYSIS

The proposed project area (as shown in Figure 1) consists of approximately 14,800 feet (2.88 miles) of watermain. As previously mentioned, there are currently nine (9) apartment buildings that the proposed water system would service. Based on information provided by Peterson Farms, there are 24 occupants per building (with the exception of building 8, which has 16 occupants). It has also been determined that there are 6 units per apartment building (4 units for building 8), therefore it can be assumed that each unit consists of 4 occupants per unit. Using these values and assuming each unit is equivalent to one (1) residential equivalent unit (REU), the number of connections served by this project is 52. The average water usage per occupant is estimated at 70 gallons per day (gpd), which yields a total of 14,560 gpd total for all nine (9) buildings.

The prediction of future connections and demand is simply based upon the number of homes along the path of the proposed watermain as well as a golf course (Oceana Golf Club) and a church (New Hope Community Church). In addition to the aforementioned future connections, there is always the potential for future development along both Oceana Drive and Baseline Road (majority along Baseline Road is owned by Peterson Farms).

The maximum daily flow for both initial design (existing) and final design (future) utilizes a peaking factor of 2.0 (based upon Village of Shelby Water Reliability Study). This information along with further details are shown in Table 2, below.

Table 2. Basis of Design

Item	Unit
Number of dwelling units served	52
Number of equivalent dwelling units ultimately (future) served	85
REUs (Initial)	52
REUs (Ultimate)	85
Initial Design Average Daily Flow (gpd)	14,560
Initial Design Maximum Daily Flow (gpd)	29,120
Final Design Average Daily Flow (gpd)	22,860
Final Design Maximum Daily Flow (gpd)	45,720
Hydrant flow at connection point (gpm @ 20 psi)	1,600
Minimum Hydrant Flow Requirement (gpm)	1,000
Elevation of Existing Hydrant @ North end of Village Limits (ft)	844
High Water Elevation of Tank	965
Elevation at Oceana Drive & Baseline Road	910
Elevation at 88 th Avenue & Baseline Road	970

Based on the information above and the Village's water reliability study, a hydraulic computer model was used to simulate the extension of the water system as proposed. It is clear from the elevations shown above, that a booster station would be needed to provide the desired pressures at the apartment buildings. To properly assess the feasibility of the watermain extension, a few alternatives were considered. These alternatives were analyzed based on pipe size, minimum and maximum static pressures, and whether a booster station was utilized. Additionally, one of the main driving factors for the pipe size and need for booster station is the fire flow at the most downstream end of the proposed watermain (88th & Baseline). The analysis was performed for future maximum day demand. The results of the analysis are shown below in Table 3.

Table 3. Future Maximum Day Demand Analysis

Alternative No.	Pipe Size (in.)	Min. Pressure (psi)	Max. Pressure (psi)	Fire Flow (gpm)
1	8	38	94	720
2	12	38	94	1,190
3	8 & 12	45	94	960

As shown in Table 3 above, alternative 1, which consist of all 8" watermain, does not meet the recommended fire flow of 1,000 gpm. Alternative 2, which consist of all 12" watermain, exceeds the recommended fire flow. Alternative 5, which consist of 12" watermain along Oceana Drive and 8" watermain along Baseline Road, come very close to meeting the desired fire flow. Therefore, since the only water demand along Baseline Drive is the Oceana Acres Development, sizing the watermain as 8-inch still provides adequate flow and is considered the selected alternative for the proposed project.

PROJECT COSTS

The cost associated with completing the proposed project consists of both capital costs and operation, maintenance & replacement costs. The capital costs include, but are not limited to, watermain (pipe, fittings, etc.), hydrants, booster station and all associated materials and labor to construct the watermain extension. The predesign construction cost estimate is \$2.68 million. The detailed estimate is shown in the appendix.

It is assumed that the Village of Shelby will take ownership of operating and maintaining the associated maintenance items. The annual operation, maintenance & replacement costs is estimated at \$25,000 per year. The detailed estimate is also included in the appendix.

As shown below in Table 4, there is a pump replacement cost to be accounted for on an annual basis. This value comes from the life expectancy of the booster pumps at 20 years. The remaining assets and the associated life expectancy are shown in Table 4 below.

Table 4. Asset Life Expectancy

Watermain Extension Assets	
Asset	Estimated Life Expectancy
Booster Pump(s)	20
Booster Station Building	90
Watermain	90
Fire Hydrant	90
Water Valve	70

RATE STRUCTURE

Below is the projected water rate for the residents of Oceana Acres and any future non-residents of the Village. The existing water rate for 1” (or less) meters is \$2.00 per centum cubic feet (748 gallons) and \$10.75/month per connection for the ready-to-serve fee. The Village would charge a 25% upcharge to non-residents for water usage from the Villages water rates, which is reflected in Table 5 below.

Table 5. Non-Resident Water Rates

Proposed Non-Resident Water Customer Rate Schedule after Project					
Service Size	No. of Users after Improvements	Water Usage Gals/Day (est.)	Monthly RTS Rate	Commodity Charge (per ccf)	Estimated Annual Revenue
1”	52	14,560	\$13.44	\$2.50	\$26,147

Based on the estimated water usage and rates, the annual revenue from the Oceana Acres apartments of \$26,147 would only cover the estimated annual operation, maintenance and replacement costs of \$25,000. This would leave no additional money for any bond payment of the capital costs to install the system.

NEXT STEPS

If the Village decides to move forward with a watermain extension to the Peterson Farms apartments, the project could be built and ready for operation by the end of year 2020, provided that design could begin in the next month. Below is a tentative schedule to complete the project by December 2020:

Authorize Design	December 2019
Design Complete	March 2020
Land and Easement Acquisition	April 2020
Permits	April 2020
Advertisement for Bids	May 2020
Bid Opening	June 2020
Loan Closing	July 2020
Contract Award	July 2020
Initiation of Construction	August 2020
Substantial Completion	November 2020
Final Completion	November 2020
Initiation of Operation	December 2020

APPENDIX



Village of Shelby

Pre-Design Estimate of Project Costs

Peterson Farms Watermain Extension



Project: 837770
 Date: 11/1/2019
 By: BSR

ITEM	ITEM DESCRIPTION	UNIT	ESTIMATED QUANTITY	ESTIMATED UNIT PRICE	ESTIMATED AMOUNT
1	Mobilization, Bonds, and Insurances, Max. 5%	Lump Sum	1	\$99,000.00	\$99,000
2	Pre-Construction Video Survey	Lump Sum	1	\$10,000.00	\$10,000
3	Traffic Control	Lump Sum	1	\$25,000.00	\$25,000
4	Soil Erosion Control	Lump Sum	1	\$15,000.00	\$15,000
5	Tree, Rem, 6 inch to 18 inch	Each	20	\$400.00	\$8,000
6	Tree, Rem, 19 inch to 36 inch	Each	10	\$1,000.00	\$10,000
7	Driveway Pavement, Rem	Syd	2,000	\$7.00	\$14,000
8	Subbase, CIP	Cyd	800	\$15.00	\$12,000
9	Aggregate Base, 8"	Syd	3,000	\$8.00	\$24,000
10	Shoulder Gravel	Syd	5,000	\$5.00	\$25,000
11	Driveway Gravel, CI I, 6 inch	Syd	1,200	\$7.00	\$8,400
12	Driveway Gravel, CI II, 6 inch	Syd	1,100	\$7.00	\$7,700
13	Driveway, Conc, Nonreinf, 6 inch	Sft	1,100	\$8.00	\$8,800
14	HMA Approach	Ton	30	\$250.00	\$7,500
15	HMA, 13A	Ton	550	\$150.00	\$82,500
16	Watermain, DI, 8 inch	Lft	6,650	\$55.00	\$365,750
17	Watermain, DI, 12 inch	Lft	8,800	\$60.00	\$528,000
18	Watermain, DI, 8 inch, Directional Drill 90 Feet	Lump Sum	1	\$30,000.00	\$30,000
19	Bend, 45 Deg, 12 inch	Each	4	\$700.00	\$2,800
20	12"x12"x12" Tee	Each	1	\$1,200.00	\$1,200
21	Gate Valve and Box, 12 inch	Each	6	\$2,500.00	\$15,000
22	Gate Valve and Box, 8 inch	Each	4	\$1,600.00	\$6,400
23	Corp Stop, Curb Stop & Box, 1.5 inch	Each	9	\$1,000.00	\$9,000
24	Water Service, 1.5 inch	Lft	450	\$30.00	\$13,500
25	Fire Hydrant Assembly	Each	15	\$5,000.00	\$75,000
26	12" Plug	Each	1	\$500.00	\$500
27	Connect to Ex Village Water System	Each	1	\$3,000.00	\$3,000
28	Slope Restoration	Ft	15,450	\$5.00	\$77,250
29	Booster Station, Land Acquisition	Lump Sum	1	\$40,000.00	\$40,000
30	Booster Station	Lump Sum	1	\$540,000.00	\$540,000

Construction Subtotal (Rounded): \$2,070,000

Project Contingencies (10%): \$207,000

Engineering, Administrative & Legal (18%): \$410,000

Total Estimated Project Base Cost (Rounded): \$2,687,000

The Design Professional has no control over costs or the price of labor, equipment or materials, or over the Contractor's method of pricing. Bid prices may vary significantly based on these factors and market conditions at time of bid.

Village of Shelby

Operation, Maintenance & Replacement Costs

Peterson Farms Watermain Extension



Project: 837770
 Date: 11/1/2019
 By: BSR

ITEM	ITEM DESCRIPTION	UNIT	ESTIMATED QUANTITY	ESTIMATED UNIT PRICE	ESTIMATED AMOUNT
1	Routine Maintenance (hydrant flushing, valve turning, etc.)	Lump Sum	1	\$1,000	\$1,000
2	Emergency Maintenance & Repairs (eg. watermain breaks)	Lump Sum	1	\$3,000	\$3,000
3	Meter Reading	Lump Sum	1	\$1,200	\$1,200
4	Utilities (gas and electric)	Lump Sum	1	\$15,000	\$15,000
5	Pump Inspection	Lump Sum	1	\$2,000	\$2,000
6	Pump Replacement	Lump Sum	1	\$1,000	\$1,000
7	Building Maintenance & Repairs	Lump Sum	1	\$1,000	\$1,000

Total Estimated ANNUAL OM&R Cost (Rounded): \$25,000