

**Standish Township
Special Meeting Minutes
October 25, 2024**

1. Call to Order

Bob North called the meeting to order with the pledge of allegiance at 6:00 PM.

2. Roll Call

Present: Sue Kohn, Bob North, Shara Klenk, and Bobbi Lynch Absent: None

3. Agenda as presented.

Motion to accept the agenda as presented with Sue suggesting we move items in new business around. We will start with C and move backward and end with A. Motion made by Shara seconded by Bobbi with a Roll call vote of Ayes 4, and 0 Nays. Motion carried.

4. Announcements: None

5. New Business:

1. Resolutions:

- a. Resolution 2024-10-14 The Township of Standish will agree to charge the following parcels to the water assessment district on the winter tax roll 2024. 227 parcels will be charged \$157.86. Motion made by Shara and seconded by Bobbi with a roll call vote of 4 Ayes and 0 Nays. Motion carried. Resolution passed.
- b. Resolution 2024-10-14A The Township of Standish agrees to charge the following parcels to the sewer assessment district on the winter tax roll 2024. 227 parcels will be charged \$243.04. Motion made by Shara and seconded by Bobbi with a roll call vote of 4 Ayes and 0 Nays. Motion carried. Resolution passed.
- c. Resolution 2024-10-04 The Township of Standish agrees to charge the following 956 parcels for garbage on the winter tax roll. Parcels will be charged \$175.00 each. Motion made by Bobbi and seconded by Shara with a roll call vote of 4 Ayes and 0 Nays. Motion carried. Resolution passed.
- d. Resolution 20241004F The Township of Standish will modify the Township special assessment for the Lighting District 1-4. The attached 162 parcels will be billed \$28.48 on the 2024 winter tax bill. Motion made by Bobbi and seconded by Shara with 4 Ayes and 0 Nays. Motion carried. Resolution passed.
- e. Resolution 20241004W The Township of Standish will modify the Township special assessment district for the Lighting District Woods of Pine River. The attached 34 parcels will be increased by \$16.00 on the winter 2024 tax bill. Motion made by Bobbi and seconded by Shara with a roll call vote of 4 Ayes and 0 Nays. Motion carried resolution passed.

- f. Resolution 2024-10-04 The Township of Standish will modify the special assessment district for Aquatic Weed. The attached 74 parcels will be charged \$196.16 each on the 2024 winter tax bill. Motion made by Bobbi and seconded by Shara with a roll call vote of 4 Ayes and 0 Nays. Motion carried. Resolution passed.
- g. Resolution 20241014 The Township of Standish will modify the Township special assessment district for the Sandy Drive Road Improvement. 14 parcels will be assessed \$695.57 on the 2024 winter tax bill. Motion made by Bobbi and seconded by Shara with a roll call vote of 4 Ayes and 0 Nays. Motion carried. Resolution passed.

2. Budget adjustments:

Motion made by Bobbi and seconded by Sue to approve the following budget adjustments. The original budget as well as a budget adjustment report was provided to the residents and the board. There were no concerns nor questions pertaining to the budget changes. Motion carried with a roll call vote of 4 Ayes and 0 Nays. (Attach Budget to minutes)

3. Resolution to authorize issuance of sanitary sewer system junior lien revenue bond.

The key features of the bond resolution are:

- The bond resolution authorizes the issuance of the bond in the principal amount of up to \$1,103,000 to pay a portion of the project costs.
- The bond resolution legally pledges the net revenues of the sanitary sewer system for repayment of the bond.
- The net revenues of the system are those system revenues remaining after providing for the administration, operation and maintenance of the system in good repair and working order.
- By adopting the bond resolution, the Township will covenant to at least annually review and set rates and charges so as to produce amounts sufficient to pay (i) the expenses of administration and the costs of operation and maintenance of the System, (ii) to provide an amount of revenues adequate for the payment of principal of and interest on the Bond, reserve, replacement and improvement requirements, (iii) and to otherwise comply with all requirements and covenants provided in the bond resolution. *Failure to perform this covenant at any time while the bond is outstanding will result in a default that would impact the Township's credit and ability borrow money in the future.*
- The bond resolution establishes a system of funds and accounts to receive revenues and apply those revenues to O & M and to debt service.
- The bond resolution delegates authority to Supervisor, Clerk, and Treasurer to take the actions and sign the documents that are necessary to complete the sale of the bond to USDA.

A full copy of this resolution will be posted in the paper, is available on the Standish Township website, and will be retained by the clerk. Motion made by Sue and seconded by Shara with a roll call vote of 4 Ayes and 0 Nays. Motion carried. Resolution passed.

Recommendation of award for USDA Standish Township Sanitary sewer force main improvements project and the PA 53 SPHRP force main and pump station improvement project. Fleis & Vandenbrink received three bids on June 24, 2024. The three bids were from Rhode Brothers Excavating in the amount of \$4,967,984.00, R. Roese Contracting Co. in the amount of

\$5,694,798.00, and Sterling Excavation in the amount of \$6,330,929.00. The project as read amounts were over the construction budget we had anticipated when the preliminary engineering report was prepared. Increased costs can be attributed to current market conditions, increased material costs, material shortages, labor availability and fuel increases. The construction budget for the USDA portion of the project was \$3,609,000.00. The as-read bid for this portion of the work was \$4,274,697.71. After meeting with the contractor to review cost savings, we have adjusted the contract work closer to the budget. The amount of this reduction is \$322,470.00. The revised USDA construction amounts to \$3,952,227.71. The motion made by Sue seconded by Shara to approve Rhode Brothers as the contractor for the USDA and PA 53 SPHRP projects with a roll call vote of 4 Ayes and 0 Nays. Motion carried.

To the Citizens of the Whites Beach Water and Sewer District (the "District"):

We would like to give you some background information on the district water and sewer improvements required by the Michigan Department of Health and the Michigan Department of Environment, Great Lakes and Energy ("EGLE").

RECAP - Phase 1 Water *Distribution*/Sanitary Sewer Systems including *Piping*, Meters and Grinder *Pits*.

Phase 1 was funded by the United States Department of Agriculture ("USDA") with 40-year, low interest loans totaling \$2,468,000 and grants totaling \$7,403,000. Net of the grants, the cost per household was \$6,461.49 for sewer and \$4,197.02 for water, totaling \$10,658.51. The cost per household is being financed through 40-year special assessments that appear on your winter tax bill. The annual special assessments per household are \$157.86 for water and \$243.04 for sewer. The annual special assessments began in 2021. Property owners have the opportunity to pay off the outstanding balance of the special assessments in full every August. Partial payments cannot be accepted.

Phase 2 Water/Sewer connection to the City of Pinconning.

Phase 2 is being funded with low-interest loans and grants from the State of Michigan (the "State") and the USDA. The low interest loans totaled \$3,435,500 and the grants totaled \$5,641,500.

Funding from the State included a \$2,332,500 low interest loan and a \$2,332,500 grant. Funding from the USDA included a \$1,103,000 low interest loan and \$3,309,000 grant.

The low interest loans will be paid from net revenues of the water and sewer systems. Net revenues are revenues after the payment of the administration, operation and maintenance of the water and sewer systems. Revenues will consist of monthly ready to serve/debt service charges ("RTSC") and monthly commodity charges based on usage.

The combined water and sewer RTSC for the average homeowner will be \$161.06 per month. This includes a monthly water RTSC of \$67.25 and a monthly sewer RTSC of \$93.81. The monthly RTSC were calculated based on the minimum amount of revenue necessary to pay the fixed costs of the administration, operation, maintenance and debt service requirements of the water and sewer systems. The RTSC were calculated by the Township's municipal financial advisor, using information about the water and sewer system projects provided by the Township and the Township's engineer,

In addition to the monthly water and sewer RTSC, there will be monthly water and sewer commodity charges based on metered water usage. The water commodity charge will be \$11.84 per 1,000 gallons of usage or any fraction thereof. The sewer commodity charge will be \$10.89 per 1,000 gallons of usage or any fraction thereof. The monthly RTSC were calculated based on the

minimum amount of revenue necessary to pay the variable costs for treated water and sewage disposal. Again, the commodity charges were calculated by the Township's municipal financial advisor, using information about the water and sewer system projects provided by the Township and the Township's engineer.

1

Homeowners will begin paying the monthly water and sewer RTSC after the water and sewer connections with the City of Pinconning are completed. For example, if the water and sewer connections with the City of Pinconning are completed in August of 2025, monthly water and sewer RTSC will be due and payable in September of 2025.

After the water and sewer connections with the City of Pinconning are completed, homeowners in the District have up to 6 months to connect to the systems. Once service is established, the homeowner will begin paying the water and sewer commodity charges based on usage.

Water and sewer rates and charges will be reviewed and adjusted annually based on the cost of treated water and sewage disposal with the City of Pinconning and the cost of the administration, operation, maintenance and debt service requirements of the water and sewer systems.

Can the Amending Water and Sewer Rate Ordinance establishing the necessary rates and charges to operate the water and sewer systems be rescinded?

Yes. However, if rescinded, Phase 2 cannot be completed. Homeowners in the District will not have access to treated water or sewage disposal services, as all other options were turned down by EGLE. State and USDA grants totaling \$5,641,500 will be forfeited and any amounts drawn to date will have to be repaid in full.

If Phase 2 is completed homeowners in the District will have access to treated water and sewage disposal services.

6. Public Comment:

The purpose of the public comment period is for members of the public to inform the governing body of their views.

If members have questions for the governing body, they need to be submitted in writing in one of the following ways:

- 1) Written on a piece of paper and handed to a board member.
- 2) Written out on a piece of paper and mailed to the township – P.O. Box 472, Standish, MI 48658
- 3) Submitted by email to one or multiple members of the governing body. Email addresses can be found on township website under “Contact Us” (<https://www.standishtownship.com>).
- 4) Submitted using the form provided under the “Contact Us” link on the township website (<https://www.standishtownship.com>).

7. Adjourn:

Motion made by Bobbi and supported by Sue to adjourn meeting, all in favor, meeting adjourned. 4 Ayes 0 Nays. The meeting adjourned at 6:30 pm.