

May 11, 2021

Special Meeting: Tuscarora Township Sewer Sub-Committee

Call to Order: 6:00 PM at the Tuscarora Township Hall

Roll Call: Bob Kramer – Chairman, Janet Vance – Secretary, Mike Ridley all present

Agenda:

- April Minutes (amend or dispense)
- Adopt Agenda
- Update Congressman Bergman funding legislation
- Update Senate earmark procedure
- Update on Phase 1 residential USDA RD application/BLSP funding issue
- Temporary Lease of REUs (Commercial District)
- Citizens Comments
- Board Comments
- Motion to Adjourn

April 15, 2021 Minutes were adopted as written

May 11, 2021 Agenda was adopted with no additions

Update of Congressman Bergman's funding legislation:

The application was accepted and also successful in passing the first round. It is now at the House Appropriations Committee. This would be an "earmark" through the EPA STAG program, and if approved, would be a grant worth 80% of the 18.6 million requested. That would make the grant worth approximately 14.88 million. It was explained this is a LONG SHOT; however, it is worth pursuing. It was reported last month as an 100% funding grant, and that was not accurate. It would be 80%, if accepted.

Update of Senator Stabenow earmark procedure:

Senator Stabenow's office will contact me when they have the procedures in place. Since the Senator is the Chairman of the USDA oversight committee, we may want to seek the maximum USDA RD grant of 45% which would be \$8.37 million.

Update on Phase 1 residential USDA /RD application and BLSP funding issue:

On Monday, May 10th, Performance Engineering had a preliminary application review with Mr. Blake Smith, USDA, Traverse City. This application encompasses residential sewer Phase 1 with properties north of Mack Ave (but not including Mack). This portion is \$5.35 million at about \$28,000.00 per REU. With a maximum grant it would be \$15,400.00 per REU. We have a checklist of additional items to add, change or replace in the application.

Bob has a workshop with Performance Engineering Friday at 10am to update these items. We must have the Phase 1 application accepted by USDA no later than May 21, 2021 due to the 60-day notice requirements.

**NOTE: REU = Residential Equivalent Unit. Each residential or unimproved lot would be assigned one (1) REU. Commercial properties could be assigned multiple REUs depending on certain criteria.*

**NOTE: This committee is trying to obtain the best information available and to pursue any possible funding opportunities; however, the final decision on the outcome of this project will be determined by the people within the districts through a petition process.*

It was discussed that in order to be successful in any of the earmark or grant requests, it will be necessary to obtain a rating of at least a 90 out of a possible 100 points when they are scoring a project. One of those requirements

is a letter from the local Health Department explaining that over 51% of the properties in the proposed district would not be in compliance with present codes if a new septic system would be needed. This letter will be worth 26 points. Performance Engineering Firm has made a study and has determined that the proposed district does meet the 51+ % by evaluating lot sizes, set-backs, water tables, and capability of a new system, among other standards. They have submitted their report to the Cheboygan County Health Department, and we are waiting for their decision whether or not they will accept the report.

When the Burt Lake State Park decided to join the sewer system in the Commercial District, they paid a lump sum of approximately \$600,000 in lieu of any assessment, which an assessment was not legally permitted. This money was earmarked for this district to help with improvements, R&R (repair and replacement) and O&M (operation and maintenance) costs. However, the USDA representative (Traverse City) has determined that the remaining \$292,000 in the BLSP fund must be used to either pay down the district's debt or use it towards the new sewer expansion project. We found this unacceptable and contrary to prior advice, so we will appeal the matter to USDA Lansing officials at a later time after the application is filed.

Temporary Lease of REUs (Commercial District):

Temporary leasing of excess and unassigned REUs for new business ventures is a possibility and may be necessary to improve the business flexibility needed to promote growth in our community. Currently, if additional REUs is necessary due to a change of use, that additional REU assignment would become permanent. This has caused some hesitancy with some property owners to commit to a new business if it meant an increase in REUs. Leasing would help eliminate that problem.

After discussion, we decided to recommend to the Board a leasing of 10-15 REUs out of approximately 30+ unassigned REUs available. We determined a fee of at least \$1000 per REU, per year, with a lease renewal of an additional 2 (two) yearly leases available. After the 3 years, the property owner would be required to purchase the leased REUs if the business was to continue. The fee would include O&M fees. An application fee would be required. More discussion will be necessary after presenting our recommendations and getting more information from the Board.

Meeting adjourned 6:52 PM

Respectfully submitted,
Janet Vance
Sewer Sub-Committee Secretary