

NEXT MEETING: TUESDAY MARCH 1, 2022 6:00 PM

Special Meeting – Tuscarora Twp. Sewer Sub-Committee

February, 1, 2022

Call to Order: 6:00 pm

Roll Call: Bob Kramer (Committee Chairman), Janet Vance (Committee Secretary)
Quorum present

Motion to Accept the Minutes as written: Kramer / Vance seconded. Motion passed

Motion to Approve the Agenda: Kramer / Vance seconded. Motion passed

AGENDA:

Phase 1 – USDA / RD Eligibility Letter

Phase 1 – Next Steps

Phase 2 – Application

CWSRF – “Clean Water Revolving Fund”

Michigan Senate Bill 565

Schedule Next Meeting

Citizen Comments

Sub Committee Members Comments

Motion to Adjourn

Phase 1 – USDA / RD Eligibility Letter and Next Steps

Basically, the letter explains the township is ELIGIBLE for the \$2.844m grant and \$3.481m loan. It does not obligate the USDA in any way. This will be contingent on the SECD funding. The original grant offer was \$2.34m, and we declined the grant offer and requested more funding. We also applied for the SECD funding at that time. The loan rate will be set at 1.75% + 1% administration fee. The SECD is a USDA fund, however, it is a different funding line as the previously mentioned grant money. SECD supports regional projects. This money, if approved, could make up the difference between the two offered grants.

Rep. Damoose (MI) is requesting a \$6m grant from the State of Michigan. No word on this possibility at this time.

The Bond Counsel drafted a petition sample and the citizen circulators will decide if additional information will be attached to the petition, such as cost estimates. There was concern that the public be informed with as accurate of information and costs as possible, but equal concern to emphasize to the public that the costs are fluid and must be adjusted to the costs at the time of construction. This will be a “citizen driven” petition process and the Township will not be responsible for the accuracy of any information, but will assist on getting the committee the best estimates possible.

The amortized loan payment will be available at the end of the process.

Grinder Pumps: If possible, neighbors can share grinder pumps

Bids: There has been concern of what happens if the Township does not receive any construction bids. Kramer spoke to the Engineer, and since this is not a very technical project, and he plans to break the project into three concepts (Sewer Plant Expansion, Trenching, and Boring), he sees no problem in receiving construction bids.

Phase 2 – Application

The application has been submitted, but no work on its acceptability. The EPA Earmark (Federal) is still alive, but if it survives the final cut, it may be as high as \$3.5m, or as low as \$3m (or lower) if it is passed at all. Remember, this is a long shot. The problem is that is no new grant money in FY 2022 until the budget is passed.

CWSRF – Clean Water State Revolving Fund

If the Township applies for this funding opportunity, the application process is very difficult and arduous. We have requested a determination from EGLE (MI) for a “distressed community” standing.

Michigan SB 565

This bill has been passed through the Michigan Senate, and sits in the House. In the bill, it allows for \$40m for communities under the population of 5000, funding for sewer and/or water projects.

Citizen Comments:

Q: Concerns of the negative impact of sewer loans connected to the deed, when selling the property.
A: It was suggested the property owner speak to a real estate broker to answer those type of questions.

Comment: It is true; the loan will stay with the property until the loan is paid off.

Board Comments: NONE

Next Meeting will be March 1, 2022, 6:00 pm. Directly before the Regular Board of Trustees Meeting

Meeting Adjourned: 6:37 pm

➤ USDA / RD Eligibility Letter attachment

February 7, 2022

(email)

Michael Ridley, Township Supervisor
Tuscarora Township
3526 S. Straits Hwy
Indian River, MI 49749

RE: Tuscarora Township – Phase I Sewer Expansion

Dear Mr. Ridley:

We reviewed the application that Tuscarora Township submitted for the sewer system. It appears the Township meets all eligibility requirements for funding from Rural Development. The level of financial assistance we will consider is a **loan of \$3,481,000 at the intermediate interest rate and a grant of \$2,844,000**. This amount is for planning purposes only and is not a commitment or approval of funds. This amount will probably change if there are changes in the application or by the level of funding the agency receives. The loan term would be 40 years. If these terms are not acceptable or there are significant changes to your application, please notify this office immediately in writing.

Our State Office will complete a review of your **Preliminary Engineering Report** and draft **Engineering Agreement**. You should receive their comments, concerns or questions soon. Please respond in a timely manner **directly** to our State Office. Please send me a copy of your response for my file.

The draft Legal Services Agreement with Attorney Robert Huth is acceptable. Please send me a copy of the Agreement with both signatures. This office will approve the Agreement and return it once I have signed it.

We anticipate loan and grant funds will be available within a month. This is contingent upon receiving SECD and regular funding. If the Township no longer wishes to pursue funding of this project through Rural Development, please notify me in writing.

If you have any questions, please do not hesitate to contact me at (231) 486-2532.

Sincerely,

Blake Smith

Blake Smith

Area Specialist

Cc: S/O Community Programs (email)
Engineer (email)
Bond Counsel (email)
Local Attorney (email)
Financial Consultant (email)