

Next Meeting Tuesday, January 4, 2022 6:00 pm
Special Meeting – Tuscarora Twp. Sewer Sub-Committee
December 7, 2021 6:00 pm

Call to Order: 6:03 pm

Roll Call: All Present

Robert Kramer (Committee Chairman), Janet Vance (Committee Secretary)

Motion to accept the November Minutes as written:

Kramer, Vance seconded Motion passes

Motion to approve the December agenda:

Vance, Kramer seconded Motion passes

AGENDA:

USDA Applications

SAD's

Discussion of Petition Process and Requirements

Draft Engineering Agreement

Community Q&A's

Next Meeting

Citizen Comments

Committee Comments

USDA Applications: PHASE I

The USDA has offered \$4.325m loan, and a \$2m grant. Kramer discussed with Ms. Maxwell (USDA) and others, even though he could not speak for the Board, that the offer was appreciated, but due to past community discussions, the project cost was probably still too high. Ms. Maxwell and Mr. Smith, USDA suggested the township apply for additional grant funding. USDA suggested we look at a SECD grant, a regional grant, that because we were listed on the NEMCOG roster, we may qualify. Kramer and Mike Ridley applied for the township, and we have a chance on receiving some additional funds, but it is still too early to know if our request will be accepted, or how much money could be offered.

USDA recommended that the original district be split into two phases, with the assumption it would enhance the funding opportunities. However, it is not really working out that way. That is why there is a need to seek additional funding from other sources.

According to reports from Senator Stabenow's office and Anna Schwab (Project Advisor), we may not know about federal "earmarks" until Congress agrees on a budget, and that may not be until February.

SAD's / Petition Process and Requirements:

CHIRP (Citizens Action Committee) has sent out certified letters to all property owners that have not joined their contiguous lots, but may be able to do so. They want everyone in the two phases to have the opportunity to join them if the owners choose to do so.

Kramer and Vance reported on a tele-conference call with the Township's Financial Advisor and Bond Counsel. It was determined we may be able to establish one sewer district out of the two phases if funding was established for both phases, and construction began at approximately the

same time. Assessment Districts are established by the Township Board, and not any other government entity. If it became possible for the Township to join both phases into one district, it would enable the Board to average the REU costs, and it would help with the administration of the district as well.

Phase II PER (Preliminary Engineering Report) has been sent to USDA for their review and approval. The estimated cost for Phase II was originally \$5.2m, but has increased due to inflation to \$5.75m. Inflation is what is driving the costs of the project at this time. The total project cost has increased to \$12.075m.

Open discussion and community questions:

Q: What is the present cost of an REU?

A: The cost per REU is now about \$30,000, and that is WITHOUT any grants. The cost is higher than previously discussed, and that is the reason why additional funding is being sought.

Q: How many REU's are estimated in both districts?

A: There are approximately 399, but the number could change depending on the count of lots after the possible lot joins are finalized.

Phase I: 207 Phase II: 192

Q: Has anyone ever looked at piping the sewer from the State Park to Sturgeon Island to see if it saved costs?

A: Kramer said he did not know if this was considered by the engineers, or even if it was possible since the State Park owns their hook-ups. He will pose this question to the engineers and surveyors to assess the option.

Draft Engineering Agreement:

In reference to the projected costs of engineering from Performance Engineering Inc., the USDA has determined... "For this project, the total engineering costs are about 15.7% of the construction cost. We consider the fees to be within an acceptable range for a project of this size and complexity."

There are pros and cons to bidding out the engineering contract vs. sole sourcing the project.

Bidding the project Pros include:

- Initial cost estimates may be less
- Would increase options of the Township

Bidding the project Cons include:

- Most of the contingencies have been built in and "Change Orders" increase costs
- Would probably delay the project by months
- Engineering reports are propriety and another company would create new plan

Citizen Comment:

A concern was raised that by not bidding out the engineering contract, we would be repeating the mistakes of the past. Several engineering companies have taken advantage of the Township on previous projects, and have cost the taxpayers more money and delays in the

project. He would appreciate it if we did bid the contract out just to see what other engineering companies would propose.

Respectfully Submitted,
Janet Vance, Sub-Committee Secretary
