To:

**Township Board** 

From:

Steve Aynes, Township Manager

RE:

Information Previously Provided to the Board about WWTP Projects

Date:

March 25, 2019

I was asked by a Board member to assemble in one package the various e-mails and backup information previously provided to the Board. There may also be a few that you have not seen, but I think this collection will be beneficial to the Board. It is not 100 % complete, but the best I have been able to accomplish in the time since I received the request last Thursday afternoon.

There are some items I am still working on for the Board. When the information is incomplete, I have left this out for the time being.

I have numbered the pages to help the Board to keep track of the order and for reference if being discussed.

At the back of the packet, I have provided information on the permit and the violations that have taken place. There are not a lot of violations which I believe is a tribute to the abilities of Dan Willis and his crew at the WWTP. However, both Dan and Brian Rubel recommend a proactive approach to avoiding future significant environmental problems rather than being reactive after the event(s) has occurred.

At the very back is the legal opinion previously provided by Mr. Burns, the Township Attorney.

From: Rubel, Brian

Sent: Saturday, March 23, 2019 8:35 AM

To: Steven Aynes; Dan Willis Subject: WWTP Permit

Steve - We've talked several times the last few weeks about the WWTP permit requirements. Section 9 discusses the expectation to treat all sewage without bypass. The retention that is referenced is just another word for storage.

Brian R.

----Original Message----

From: TTP008-031@tetratech.com [mailto:TTP008-031@tetratech.com]

Sent: Saturday, March 23, 2019 6:41 AM

To: Rubel, Brian < Brian.Rubel@tetratech.com > Subject: Scanned from a Xerox Multifunction Device

Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Device.

Attachment File Type: pdf, Multi-Page

Multifunction Printer Location: Site 008, Ann Arbor, MI

Device Name: TTP008-031

For more information on Xerox products and solutions, please visit <a href="http://www.xerox.com">http://www.xerox.com</a>

#### **PERMIT NO. MI0023710**



## AUTHORIZATION TO DISCHARGE UNDER THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

In compliance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq., as amended; the "Federal Act"); Part 31, Water Resources Protection, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA); Part 41, Sewerage Systems, of the NREPA; and Michigan Executive Order 2011-1,

#### Northfield Township

8350 Main Street, Suite A Whitmore Lake, Michigan 48189

is authorized to discharge from the Northfield Township Wastewater Treatment Plant located at

11500 Lemen Road Whitmore Lake, Michigan 48189

#### designated as Northfield Twp WWTP

to Horseshoe Lake Drain (receiving water) in accordance with effluent limitations, monitoring requirements, and other conditions set forth in this permit.

This permit is based on a complete application submitted on February 26, 2013, as amended through March 13, 2014.

This permit takes effect on August 1, 2014. The provisions of this permit are severable. After notice and opportunity for a hearing, this permit may be modified, suspended, or revoked in whole or in part during its term in accordance with applicable laws and rules. On its effective date this permit shall supersede NPDES Permit No. MI0023710, expiring October 1, 2013.

This permit and the authorization to discharge shall expire at midnight, October 1, 2018. In order to receive authorization to discharge beyond the date of expiration, the permittee shall submit an application which contains such information, forms, and fees as are required by the Department of Environmental Quality (Department) by April 4, 2018.

**Issued July 1, 2014** 

Original Permit Signed by Philip Argiroff
Philip Argiroff, Chief
Permits Section
Water Resources Division

#### PART II

### Section C. Reporting Requirements

### 8. Upset Noncompliance Notification

If a process "upset" (defined as an exceptional incident in which there is unintentional and temporary noncompliance with technology based permit effluent limitations because of factors beyond the reasonable control of the permittee) has occurred, the permittee who wishes to establish the affirmative defense of upset, shall notify the Department by telephone within 24 hours of becoming aware of such conditions; and within five (5) days, provide in writing, the following information:

- a. that an upset occurred and that the permittee can identify the specific cause(s) of the upset;
- b. that the permitted wastewater treatment facility was, at the time, being properly operated and maintained (note that an upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation); and
- c. that the permittee has specified and taken action on all responsible steps to minimize or correct any adverse impact in the environment resulting from noncompliance with this permit.

No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

In any enforcement proceedings, the permittee, seeking to establish the occurrence of an upset, has the burden of proof.

### 9. Bypass Prohibition and Notification

- Bypass Prohibition
   Bypass is prohibited, and the Department may take an enforcement action, unless:
  - bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
  - 2) there were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass; and
  - 3) the permittee submitted notices as required under 9.b. or 9.c. below.
- b. Notice of Anticipated Bypass
  If the permittee knows in advance of the need for a bypass, it shall submit prior notice to the
  Department, if possible at least ten (10) days before the date of the bypass, and provide information
  about the anticipated bypass as required by the Department. The Department may approve an
  anticipated bypass, after considering its adverse effects, if it will meet the three (3) conditions listed in
  9.a. above.
- c. Notice of Unanticipated Bypass
  The permittee shall submit notice to the Department of an unanticipated bypass by calling the
  Department at the number indicated on the second page of this permit (if the notice is provided after
  regular working hours, use the following number: 1-800-292-4706) as soon as possible, but no later
  than 24 hours from the time the permittee becomes aware of the circumstances.

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Description	Violation Category	Violation Type 😜	Non- Compliance Date	Status
Y			7	Y
DMR: 10/01/2017-09/30/2018 v1	DMR Report	DMR not submitted by due date (Permit)	10/31/2018	Active – Not Reviewed
DMR: 02/01/2018-02/28/2018 v1, 001A, Prior to Disinfection (B), Total Suspended Solids, Maximum 7-Day Average - Permit Limit: 163 lbs/day; Value: 173.27, Comment: 'the high reading on the 21st made this high'	DMR Report	DMR value exceeds Limit value (Permit)	02/27/2018	Active – Not Reviewed
DMR: 02/01/2018-02/28/2018 v1, 001A, Prior to Disinfection (B), Total Suspended Solids, Maximum 7-Day Average - Permit Limit: 163 lbs/day; Value: 170.38, Comment: 'the high reading on the 21st made this high'	DMR Report	DMR value exceeds Limit value (Permit)	02/26/2018	Active – Not Reviewed
DMR: 02/01/2018-02/28/2018 v1, 001A, Prior to Disinfection (B), Total Suspended Solids, Maximum 7-Day Average - Permit Limit: 163 lbs/day; Value: 203.53, Comment: 'the high reading on the 21st made this high'	DMR Report	DMR value exceeds Limit value (Permit)	02/25/2018	Active – Not Reviewed
DMR: 02/01/2018-02/28/2018 v1, 001A, Prior to Disinfection (B), Total Suspended Solids, Maximum 7-Day Average - Permit Limit: 163 lbs/day; Value: 203.53, Comment: 'the high reading on the 21st made this high'	DMR Report	DMR value exceeds Limit value (Permit)	02/24/2018	Active – Not Reviewed
DMR: 02/01/2018-02/28/2018 v1, 001A, Prior to Disinfection (B), Total Suspended Solids, Maximum 7-Day Average - Permit Limit: 163 lbs/day; Value: 203.53, Comment: 'the high reading on the 21st made this reading high'	DMR Report	DMR value exceeds Limit value (Permit)	02/23/2018	Active – Not Reviewed
DMR: 02/01/2018-02/28/2018 v1, 001A, Prior to Disinfection (B), Total Suspended Solids, Maximum 7-Day Average - Permit Limit: 163 lbs/day; Value: 177.66, Comment: 'High flows washed out some aeration solids on the 21st resulting in the high reading'	DMR Report	DMR value exceeds Limit value (Permit)	02/22/2018	Active – Not Reviewed
Violation found during NPDES NPDES CSI-Conventionals Only	Inspection - NPDES	inadequate QA/QC Plan/Methods (Inspection)	01/10/2017	Active – Compliance Action Taken
DMR: 07/01/2016-07/31/2016 v3, 001A, Final Effluent (1), Total Mercury, Maximum Daily - Permit Limit: (Report) ng/L; Value: *C	Effluent Limits	Improper Test Method (s) (DMR/CMR Report)	07/12/2016	Active – Not Reviewed
DMR: 07/01/2016-07/31/2016 v3, 001A, Mercury QA- Effluent, Total Mercury - field blank, Maximum Daily - Permit Limit: (Report) ng/L; Value: *C	Effluent Limits	Improper Test Method (s) (DMR/CMR Report)	07/12/2016	Active – Not Reviewed
DMR: 07/01/2016-07/31/2016 v3, 001A, Final Effluent (1), Total Mercury, Maximum Daily - Permit Limit: (Report) lbs/day; Value: *C	Effluent Limits	Improper Test Method (s) (DMR/CMR Report)	07/12/2016	Active – Not Reviewed
Schedule: Submit Additional Monitoring Requirements - Due: 06/14/2015	Schedule of Compliance	Compliance Schedule Not Received by Due Date (Permit)	06/15/2015	Active – Not Reviewed

Page 2 of 3

Description	Violation Category 🕏	Violation Type 😩	Non- Compliance Date	Status
	A commencement and a commencemen	Y	V	Y
DMR: 06/01/2011-06/30/2011 v1, Final Effluent (1), Fecal Coliform, Max 7-Day Geometric Mean - Permit Limit: 100 #/100mL; Value: 227.76732317	Effluent Limits	Exceeding concentration maximum limit (Permit)	06/07/2011	Active – Reviewed/Evaluated
DMR: 05/01/2011-05/31/2011 v1, Prior to Disinfection (B), Ammonia Nitrogen (as N), Maximum Daily - Permit Limit: 2 mg/L; Value: 3.10	Effluent Limits	Exceeding concentration maximum limit (Permit)	05/26/2011	Active – Reviewed/Evaluated
DMR: 01/01/2011-01/31/2011 v1, Final Effluent (1), Available Cyanide, Maximum Monthly Average - Permit Limit: 0.13 lbs/day; Value: 2.0	Effluent Limits	Exceeding loading maximum limit (Permit)	01/31/2011	Inactive – Data Entry Error
DMR: 01/01/2011-01/31/2011 v1, Final Effluent (1), Total Residual Chlorine, Maximum Daily - Permit Limit: 0.038 mg/L; Value: 0.100	Effluent Limits	Exceeding concentration maximum limit (Permit)	01/30/2011	Inactive – Data Entry Error
DMR: 12/01/2010-12/31/2010 v1, Final Effluent (1), Total Residual Chlorine, Maximum Daily - Permit Limit: 0.038 mg/L; Value: 0.300	Effluent Limits	Exceeding concentration maximum limit (Permit)	12/13/2010	Inactive – Data Entry Error
Schedule: Biosolids Annual Report - Due: 10/30/2010	Schedule of Compliance	Compliance Schedule Not Received by Due Date (Permit)	10/02/2010	Inactive – Data Entry Error



From: Rubel, Brian

Sent: Wednesday, February 13, 2019 5:02 PM

To: Steven Aynes

Subject: 2018 AMP Progress

Steve;

I send Dan a report each month on progress. I would summarize 2018 as follows:

Inventory of sewers, manholes and WWTP assets is nearing completion. The Township has completed sewer condition assessments and assessments of many manholes. A sewer capacity (modeling) report has been completed. The Township has purchased GIS and asset management software.

2019 activities will include the condition assessment of WWTP assets and the initiation of a capital improvement plan.

Brian R

Brian M. Rubel , PE, PMP | Vice President
Direct +1 (734) 213-4081 | Business +1 (734) 665-6000 | Mobile +1 (734) 649-4546 | Brian Rubel@tetratech.com

Tetra Tech | Complex World, Clear Solutions™ 710 Avis Dr. Suite 100, Ann Arbor, MI 48108 | tetratech.com

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From: Janet M. Chick

Sent: Sunday, February 24, 2019 6:37 PM

To: Brian.Rubel@tetratech.com Cc: Board of Trustees; Dan Willis

Subject: Re: March Basin Meeting discussion

Hi Brian,

Thank you, I didn't include that #2 was intended to state that this would be after the basin was constructed and new developers or developer came in. Can they be charged an additional cost other than tap fees to help pay down the debt? We aren't going to get a bunch of new development but we need the basin now. It would be nice to get some additional dollars to help pay off the debt after the fact.

I expect you will be attending the meeting in March? Your expertise and knowledge is sorely needed should we have good participation from the public. None of us are qualified to answer specific questions or respond to comments ..... even though you have covered this issue multiple times.

Regards, Janet

Janet M. Chick

"Real character is revealed through adversity" ~ Tony Dungy

----Original Message-----

From: Rubel, Brian < Brian.Rubel@tetratech.com>

To: Janet M. Chick < jchick711@aol.com>

Cc: boardoftrustees@northfieldmi.gov <boardoftrustees@northfieldmi.gov>; willisd@northfieldmi.gov

<willisd@northfieldmi.gov> Sent: Sun, Feb 24, 2019 3:41 pm

Subject: Re: March Basin Meeting discussion

I can only speak to 2. The connection fee can be used by the Township for any wastewater purpose. There can also be developer agreements to pay for infrastructure improvements. Your attorney is best able to speak to that.

Sent from my iPhone

On Feb 24, 2019, at 1:41 PM, Janet M. Chick < ichick711@aol.com > wrote:

Hello All:

I don't know if what I am asking is a possibility but I would like answers before the meeting so it can be part of the meeting.

1. Is it possible to get bonding that does not include an early pay off penalty?

2. If yes, can it be made part of a contract with a developer that there is a fee or cost they have to pay that would go to paying down the bond balance?

3. Cannot imagine this happening but someone is going to ask to make the basin less palatable, if the bond goes into default status (never happened with the PSB bond and it much more costly), does the outstanding expense fall on the tax payers?

May have to talk to bond counsel? Steve could you do that and get back with the information as soon as possible please? Brian or Dan, would you have information on this?

Thank you, Janet

Janet M. Chick

"Real character is revealed through adversity"  $\sim$  Tony Dungy

//

From: Mann, Steven D. <<u>mann@millercanfield.com</u>> Sent: Wednesday, March 20, 2019 10:37:58 AM

To: Steven Aynes

Subject: March Basin Meeting Discussion

Steve,

I am providing some guidance to the questions that have been raised below.

- 1. Is it possible to get bonding that does not include an early pay off penalty? Generally municipal bond purchasers (investors) want a 10-year call protection period. This means that for the first 10 years after issuing the bonds, there is no ability to make prepayments. This 10-year call protection period could be shorted to 7-years or 5-years (or perhaps less depending on the method of sale and purchaser), but the trade-off would be that the Township pays a higher interest rate on the bonds.
- 2. If yes, can it be made part of a contract with a developer that there is a fee or cost they have to pay that would go to paying down the bond balance?

  We would have to discuss the specifics, but it would be unusual for such a provision to be included in a

development agreement. Such a provision may also run afoul with the Federal tax regulations applicable to tax-exempt bonds. In general, fees charged to developers and other property owners should be based on a uniform fee schedule adopted by the Township Board for connecting to the Township's sewer system.

3. Cannot imagine this happening but someone is going to ask to make the basin less palatable, if the bond goes into default status (never happened with the PSB bond and it much more costly), does the outstanding expense fall on the tax payers?

The Township would need to avoid a missed bond payment at all costs as such an event is significant and would have long-term consequences for the Township. The type of bond being proposed is a capital improvement bond which would pledge as security the Township's "full faith and credit." The Township would be obligated to pay the bond payments as a first-budget obligation, before any other non-debt service related expenses. So, if the revenues of the sewer system were insufficient to pay debt service on the bond, the debt service would become a first budget priority payment from the general fund.

An alternative to issuing a capital improvement bond would be for the Township to issue a revenue bond payable solely from the revenues of the sewer system. As pointed out in Bobby Bendzinski's March 11th letter, a revenue bond would require (among other things) that the Township to set aside approximately one year's debt service in a bond reserve account. Such set aside would allow bondholders nearly a one-year period to take necessary action (litigation) against the Township in light of a shortfall in revenues and a draw on the bond reserve to make a bond payment. As Mr. Bendzinski also points out, a revenue bond would draw a higher interest rate than a capital improvement bond. Again, even with a revenue bond, the Township would be well advised to take any actions necessary to avoid a missed bond payment or a draw on the bond reserve account.

I hope that this information is helpful.

Thanks, Steve

Steven D. Mann | Attorney and Counselor at Law Miller Canfield
150 West Jefferson, Suite 2500
Detroit, Michigan 48226 (USA)
T +1.313.496.7509 | F +1.313.496.8451 | Mobile +1.734.262.6660
mann@millercanfield.com | View Profile + VCard

From: Mann, Steven D.

Sent: Monday, March 18, 2019 11:56 AM

To: Steven Aynes

Cc: Marlene Chockley; Rubel, Brian; Dan Willis; Paul Burns; Stephen Hayduk

Subject: Bond Financing Improvements to the Township's Sanitary Sewer System (Northfield Township)

Steve,

Attached please find my letter along with a sample resolution and a copy of the Township's public indebtedness ordinance.

Could you please forward these materials to the Board of Trustees?

Thank you,

Steve

Steven D. Mann | Attorney and Counselor at Law
Miller Canfield
150 West Jefferson, Suite 2500
Detroit, Michigan 48226 (USA)
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March 18, 2019

#### Via email only

Hon. Board of Trustees Township of Northfield 8350 Main St. Whitmore Lake, MI 48189-0576

Re: Bond Financing Improvements to the Township's Sanitary Sewer System

#### Dear Honorable Board of Trustees:

This letter is to inform you of the general steps necessary to issue bonds to finance improvements to the Township of Northfield (the "Township") sanitary sewer system. We understand that two potential projects are being considered by the Township for possible implementation. One project consists of the construction of a sewage retention tank and the other project consists of construction of a sewer line. The process the issue bonds described in this letter would apply equally to either or both of these projects. If both projects were implemented, the financing could likely be accomplished through the issuance of a single series of bonds.

#### Resolution Declaring Intent to Issue Bonds

The first step in the bond issuance process would be for the Board of Trustees to adopt a resolution authorizing the publication of a notice of intent to issue bonds. As bond counsel, we would be responsible for preparing this notice. Enclosed with this letter is a sample resolution for information purposes only.

The first purpose of the resolution is to authorize publication of a notice of intent to issue capital improvement bonds<sup>1</sup> for the project. Under the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), the Township may not issue capital improvement bonds unless it first publishes a notice of intent to do so. If a valid petition for referendum election is filed by not less than 10% of the registered electors of the Township

<sup>&</sup>lt;sup>1</sup> If the Township desired to issue revenue bonds, we would provide the appropriate resolution which would be very similar in content to the enclosed resolution, except that the authorizing statute would be the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended, and the sole security pledged to repay the bonds would be revenues from the Township's sanitary sewer system. Otherwise, the process is the same as described in this letter.

#### MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Hon. Board of Trustees Township of Northfield -2-

March 18, 2019

within 45 days of publication of the notice, then the Township may not issue the bonds without voter approval. The enclosed sample resolution authorizes the publication of a notice of intent. The actual form of the notice to be published is set forth on Appendix A of the resolution. Only the notice (and not the entire resolution) would be published in a newspaper of general circulation in the Township. The notice is required to be published as a display advertisement of not less than one-quarter page in size. A fine print legal notice will not satisfy Michigan law as interpreted by the Michigan courts.

The second purpose of the resolution is to meet the requirements of the federal tax law regulations applicable to tax-exempt bonds. Treasury Regulation § 1.150-2 provides in effect that an issuer of municipal bonds may reimburse itself for expenditures (hard costs) made prior to the issuance of bonds only if it has declared its intention to do so in advance (soft costs such as engineering and legal fees can generally always be reimbursed). (There is a 60 day grace period in the regulation. That is, the resolution covers expenditures made up to 60 days prior to the date of the resolution.) The resolution makes this declaration in Section 4.

The language of the resolution is taken from the tax regulations and, not surprisingly, it therefore reads as tax jargon. The essential notion of the reimbursement declaration can be found in subparagraphs (a)-(c). Subparagraph (d) is a reminder of the need to keep a careful paper trail of expenditures and of reimbursements. Both the expenditure and the subsequent reimbursement must be specifically linked to the project.

Notice under the Township's Public Indebtedness Ordinance

Prior to the issuance of bonds exceeding \$250,000 which are secured by a pledge of the Township's full faith and credit, Township Ordinance No. 08-05 requires that the Township provide certain notice to Township taxpayers. Specifically, this public indebtedness ordinance requires that at least eight (8) days and not more than thirty (30) days before the Township takes action on the issuance of the bonds, it must (1) mail notice on a colored postcard to all township taxpayers announcing the intent to create public indebtedness, and (2) publish notice in a newspaper of general circulation in the Township announcing the intent to create public indebtedness. Both notices must include the amount of the proposed indebtedness, the date, time and location of the relevant meeting of the Township Board of Trustees, and the reason for which the proposed indebtedness is proposed to be incurred. These notices would be mailed and published at least eight (8) days and not more than thirty (30) days before the Township authorizes issuance of the bonds (described below). We would provide the necessary language for the notices as part of our services as Bond Counsel.

Authorization, Sale and Issuance of the Bonds

After project design is completed and construction bids have been received and verified, the total project cost will be determined by the engineer, taking into account construction bids,

#### MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Hon. Board of Trustees Township of Northfield -3-

March 18, 2019

engineering costs, a reasonable construction contingency and costs of issuing the bonds. The amount to be financed will then be determined by subtracting any Township contribution from the total project cost. Bendzinski & Co., the Township's registered municipal advisor, will then prepare and provide to Bond Counsel the bond specifications and recommended method of sale. We as Bond Counsel will then prepare the resolution authorizing issuance of the bonds for consideration by the Township Board. The resolution authorizing issuance will set forth the amount, the terms and parameters, and the method for selling the bonds. The resolution authorizing issuance would typically be the final action required by the Township Board with respect to the bonds. The resolution would delegate authority to the Township Manager, Supervisor, Clerk and Treasurer to conduct the bond sale, award the sale of the bonds, and take all other steps necessary to accomplish the sale, issuance and delivery of the bonds, all within the parameters authorized in the resolution. Approximately two weeks after the sale of the bonds, the bonds would be delivered to the purchaser in exchange for the purchase price and the issue would be closed.

We hope that you have found this information helpful. Please let me know if you have any questions.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: \_\_\_\_ Ster D. Man\_\_\_\_

Steven D. Mann

#### **Enclosures**

1. Sample Resolution.

2. Public Indebtedness Ordinance.

cc: Steve Aynes, Township Manager
Paul Burns, Esq.
Brian Rubel
Robert J. Bendzinski
Stephen N. Hayduk

33252003.1\065459-00019

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## RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENT TO ISSUE CAPITAL IMPROVEMENT BONDS AND DECLARATION OF INTENT TO REIMBURSE FROM BOND PROCEEDS

#### TOWNSHIP OF NORTHFIELD

	County of Washtenaw, State of Michigan
Minu County of W prevailing Ea	tes of a regular meeting of the Township Board of the Township of Northfield, ashtenaw, State of Michigan, held on the day of, 2019, at:_ p.m., stern Time.
PRESENT:	Members
ABSENT:	Members
	following preamble and resolution were offered by Member: and Member::
"Township") to Act 34, P amount of "Bonds"), fo equipping in	REAS, the Township of Northfield, County of Washtenaw, State of Michigan (the intends to issue general obligation limited tax capital improvement bonds pursuant ublic Acts of Michigan, 2001, as amended ("Act 34"), in an aggregate principal not to exceed
WHE of the Bonds	REAS, a notice of intent to issue the Bonds must be published before the issuance in order to comply with the requirements of Section 517 of Act 34; and
from proceed	REAS, the Township intends at this time to state its intentions to be reimbursed ds of the Bonds for any expenditures undertaken by the Township for the Project nce of the Bonds.
NOW	, THEREFORE, BE IT RESOLVED THAT:
1. issue bonds i	The Township Clerk is authorized and directed to publish a notice of intent to n <i>The Ann Arbor News</i> , a newspaper of general circulation in the Township.
2.	The notice of intent shall be published as a display advertisement not less than

3. The Township Board does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is the method best calculated to give

one-quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.

notice to the Township's electors and taxpayers residing in the boundaries of the Township of the Township's intent to issue the Bonds, the maximum amount of the Bonds, the purpose of the Bonds, the source of payment for the Bonds and the right of referendum relating thereto, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

newspaper na whom the not		r publication is hereby determined to reach the largest number of persons to irected.
4. with the reim 1986, as ame	bursem	Township makes the following declarations for the purpose of complying ent rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of
	(a)	The Township reasonably expects to reimburse itself with proceeds of the Bonds for certain costs of the Project which were paid or will be paid from funds of the Township subsequent to sixty (60) days prior to today.
	(b)	The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$
	(c)	A reimbursement allocation of the capital expenditures described above with the proceeds of the Bonds will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the Township's use of the proceeds of the Bonds to reimburse the Township for a capital expenditure made pursuant to this resolution.
5. of this resolu	All re	solutions and parts of resolutions insofar as they conflict with the provisions and the same hereby are rescinded.
AYES:	Meml	bers:
NAYS:	Meml	bers:
RESOLUTIO	N DEC	CLARED ADOPTED.

Township Clerk

I hereby certify that the attached is a true and complete copy of a resolution adopted by the Township Board of the Township of Northfield, County of Washtenaw, State of Michigan, at a regular meeting held on the day of, 2019, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by said Act.
Township Clerk

#### **EXHIBIT A**

## NOTICE TO TAXPAYERS AND ELECTORS OF THE TOWNSHIP OF NORTHFIELD OF INTENT TO ISSUE BONDS AND THE RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the Townsh of Michigan (the "Township"), intends to issue an pursuant to Act 34, Public Acts of Michigan, 2	d sell its general obligation l	imited tax bonds
amount of not to exceed more series, for the purpose of paying part of the c	Dollars (\$	), in one or
equipping improvements to the township's sani	itary sewer system, consisti	ng generally of
GOLD CE OF DAYA		

#### SOURCE OF PAYMENT OF BONDS

THE PRINCIPAL OF AND INTEREST ON SAID BONDS SHALL BE PAYABLE from the general funds of the Township lawfully available for such purposes including property taxes levied within applicable constitutional and statutory tax rate limitations. The township anticipates paying debt service on the bonds from revenues of the township's sanitary sewer system.

#### BOND DETAILS

SAID BONDS will be payable in annual installments not to exceed \_\_\_\_\_ (\_) in number for each issue and will bear interest at the rate or rates to be determined at a public or private sale but in no event to exceed the maximum rate permitted by law on the balance of the bonds from time to time remaining unpaid.

#### RIGHT OF REFERENDUM

THE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE TOWNSHIP IS FILED WITH THE TOWNSHIP CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE TOWNSHIP VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 517, Act 34, Public Acts of Michigan, 2001, as amended.

Kathy Manley Township Clerk, Township of Northfield Sec. 2-272. - Short title.

This division may be referred to as the "Northfield Township Notice for Public Indebtedness Ordinance."

(Ord. No. 08-05, § 1, 4-8-2008)

Sec. 2-273. - Notice.

Prior to borrowing, bonding, or creating public indebtedness by any other lawful means in an amount exceeding \$250,000.00, and which is secured by its full faith and credit, the township shall:

- (1) Mail to all township taxpayers, as set forth on the current assessment roll, a colored postcard announcing the intent to borrow, bond, or create public indebtedness by any other lawful means in an amount exceeding \$250,000.00 and secured by the full faith and credit of the township. This notice shall be mailed not more than 30 days nor less than eight days prior to any action taken in this regard; and
- (2) Publish a notice in a newspaper of general circulation in the township announcing the intent of the board to borrow, bond, or create public indebtedness by any other means in an amount exceeding \$250,000.00 and secured by the full faith and credit of the township, not more than 30 days nor less than eight days prior to the meeting.

(Ord. No. 08-05, § 2, 4-8-2008)

Sec. 2-274. - Content of notice.

(a)	The notices described in section 2-273 shall be neutral, reasonably clear and unambiguous, and shall contain, at a minimum, the following language:
	Shall contain, at a minimum, the following language.
	"The Township of Northfield is considering creating a public indebtedness in the amount o
	at a meeting of the Township Board of Trustees on//
	for the purpose of Members of the public are invited to attend."

- (b) The foregoing language shall set forth:
  - (1) The amount of the proposed indebtedness;
  - (2) The date and time and location of the relevant meeting of the township board of trustees; and
  - (3) The reason for which the proposed indebtedness is proposed to be incurred.

(Ord. No. 08-05, § 3, 4-8-2008)

Sec. 2-275. - Division not preemptive.

This division is not intended to limit the township's borrowing authority, nor supersede or otherwise preempt any statutory notice requirements for public indebtedness under state law, including, but not limited to, any public notice requirements under the Revenue Bond Act of 1933, Public Act No. 94 of 1933 (MCL 141.101 et seq.).

(Ord. No. 08-05, § 4, 4-8-2008)

Sec. 2-276. - Failure of notice.

The failure to receive notice as provided for herein shall not otherwise preclude the lawful creation of public indebtedness by the township as provided for by state law.

(Ord. No. 08-05, § 5, 4-8-2008)

Secs. 2-280—2-300. - Reserved.

33252414.1\065459-00019

From: Steven Aynes

Sent: Tuesday, March 19, 2019 12:04 PM

To: Rubel, Brian; Dan Willis

Subject: RE: Information for Board Meeting on WWTP/Sewer Line Projects

Thanks as always Brian.

Steve

Sent from Mail for Windows 10

From: Rubel, Brian < Brian.Rubel@tetratech.com > Sent: Tuesday, March 19, 2019 11:34:46 AM

To: Steven Aynes; Dan Willis

Subject: RE: Information for Board Meeting on WWTP/Sewer Line Projects

- 1. SRF will require 2 years of additional studies prior to even applying. So, you will have a 2-year delay plus hundreds of thousands of dollars of study cost. SRF is currently 2.5%. The specific funding mechanism is a question the board should be worried about only after they make a decision on a tank.
- 2. Every time I have seen the Northfield Board presented with comparison costs to other communities it turns into a debate about why the comparison communities are not comparable. Again, my opinion is that just distracts the board from the root question.

Tetra Tech has not presented any information on rates for neighboring communities. I was there for a meeting when the supervisor or another member did present comparison data and the discussion did not go well.

Brian M. Rubel , PE, PMP | Vice President
Direct +1 (734) 213-4081 | Business +1 (734) 665-6000 | Mobile +1 (734) 649-4546 | Brian Rubel@tetratech.com

Tetra Tech | Complex World, Clear Solutions™
710 Avis Dr. Suite 100, Ann Arbor, MI 48108 | tetratech.com

Please consider the environment before printing. Read More.

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From: Steven Aynes <a yness@Northfieldmi.gov>

**Sent:** Tuesday, March 19, 2019 11:10 AM

To: Rubel, Brian < Brian.Rubel@tetratech.com>; Dan Willis < willisd@Northfieldmi.gov>

Subject: RE: Information for Board Meeting on WWTP/Sewer Line Projects

#### Sent from Mail for Windows 10

Two issues that involve questions I recently received from Board members.

- 1. If the Township applied for low interest loans for the project, the one report said it would be about a 2 year project. Is that still the est. time frame?

  Do you know what the current interest rate through the State to compare to the 4 % interest rate in Bendzinski' projection?
- 2. Do we have sewer rate and hook up fee information on what some of the Township charge in this area? Was this in the rate study you recently reported on Brian? I know I should remember, but I forgot. Sorry.

Thanks

Steve

From: Jacqueline Otto

Sent: Tuesday, March 19, 2019 10:39 AM To: Steven Aynes; Board of Trustees Cc: Paul Burns; Jennifer Carlisle; Dan Willis

Subject: Re: Bond Financing Improvements to the Township's Sanitary Sewer System (Northfield

Township)

I stand corrected. The Indebtedness Ordinance postcard would <u>not</u> be appropriate for the March 26th meeting. It should be a prerequisite of the bonding process. But we should still have the cost available for the meeting.

#### Get Outlook for iOS

From: Jacqueline Otto <ottoj@northfieldmi.gov>

**Sent:** Tuesday, March 19, 2019 10:00 AM **To:** Steven Aynes; Board of Trustees **Cc:** Paul Burns; Jennifer Carlisle; Dan Willis

Subject: Re: Bond Financing Improvements to the Township's Sanitary Sewer System (Northfield

Township)

I would have thought due to the indebtedness ordinance that post cards would be didtrubuted prior to the March 26th meeting. As I recall from a previous board meeting, wasn't one or two of the board members looking into this regarding the costs and timeline for sending out the postcards? I would have thought it would have been more appropriate for the March 26th meeting since the postcards are just a notification of intent and not the actual action as stipulated in the bonding process for a public hearing.

However, the ordinance states just taxpayers, and not all voters. So the list would come from the tax roll list. This may address the question of wheather to send communication to apartment renters.

#### Get Outlook for iOS

From: Steven Aynes <ayness@northfieldmi.gov>

Sent: Monday, March 18, 2019 1:11 PM

To: Board of Trustees

Cc: Paul Burns; Jennifer Carlisle; Dan Willis

Subject: FW: Bond Financing Improvements to the Township's Sanitary Sewer System (Northfield

Township)

Board,

I will be forwarding information for your review in preparation for the March 26 Board meeting. I am having Jennifer put a printed copy in each of your boxes.

**Thanks** 

Steve

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Sent from Mail for Windows 10

From: Mann, Steven D. <mann@millercanfield.com>

Sent: Monday, March 18, 2019 11:56:37 AM

To: Steven Aynes

Cc: Marlene Chockley; Rubel, Brian; Dan Willis; Paul Burns; Stephen Hayduk

Subject: Bond Financing Improvements to the Township's Sanitary Sewer System (Northfield Township)

Steve,

Attached please find my letter along with a sample resolution and a copy of the Township's public indebtedness ordinance.

Could you please forward these materials to the Board of Trustees?

Thank you,

Steve

Steven D. Mann | Attorney and Counselor at Law

Miller Canfield

150 West Jefferson, Suite 2500

Detroit, Michigan 48226 (USA)

T +1.313.496.7509 | F +1.313.496.8451 | Mobile +1.734.262.6660

mann@millercanfield.com | View Profile + VCard

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From: Jacqueline Otto

**Sent:** Tuesday, March 19, 2019 10:07 AM **To:** Steven Aynes; Board of Trustees **Cc:** Jennifer Carlisle; Paul Burns

Subject: Re: Background Information for WWTP Retention Tank for the Board in preparation for the

public meeting on March 26

I appreciate the information on Dan Willis and his expertise. As board members, we need to look to our subject matter experts for direction and trust in their judgement.

As far as a copy of the Garden City sewer bill, it would be appreciated if we had a report of several townships, villages, or cities to familiar size as ours showing their sewer bill fees. This would give more credence to the understanding of increased rates, if needed. We may find that our sewer fees are underpriced in comparison. Is this possible to pull together before Tuesday? It just means a lot of calling.

Thanks, Jacki

#### Get Outlook for iOS

From: Steven Aynes <ayness@northfieldmi.gov>

Sent: Monday, March 18, 2019 1:35 PM

To: Board of Trustees

Cc: Jennifer Carlisle: Paul Burns

Subject: RE: Background Information for WWTP Retention Tank for the Board in preparation for the

public meeting on March 26

I am continuing to work on providing background information to the Board regarding the agenda item on the WWTP Retention and Sewer Line Improvements.

I expect to be sending out additional information to the Board in preparation for this meeting. I continue to talk to others about the proposed project. I want to dispel any thoughts by the Board that your staff is recommending this for personal benefit rather than professional service.

• Dan Willis has been an employee of the WWTP for 41 years in May of 2019. He has been the WWTP Superintendent for about 2 years. I believe he knows your WWTP and Sanitary Sewer system better than anyone else who is currently paid by the Township. He has plans to retire sometime in the future. He does not live in the Township. In fact he lives in Oakland County. He does not make sewer payments to the Township. If the WWTP project was approved by the Board this year before the adoption of the Budget effective July 1, 2019; I would estimate it would not be under construction until the Spring of 2020. It might be completed by the end of 2020, but it would probably extend into 2021. Dan may very well retire before the completion of the project.

This would mean Dan would have to put in a lot of work if the project proceeds. He is not looking to add to his Resume. If the project is not approved by the Board, he would have a lot less work to do before he retires. This means he would have more time to spend with his family and friends.

I believe Dan sincerely believes this project is in the best interest of the Township and it's citizens. I believe he is an honest, hard working man who tries to do his best to improve the community and to be of service to the citizens of Northfield Township. Dan is a great asset to Northfield Township. I have worked with many WWTP Foreman and Superintendents. I believe he is right up there with the best.

• When I was interviewed by the Township Board I presented my Resume. I have worked for many local governments and one non-profit organization since I began my first professional position in 1977. In three of the communities I was responsible for Wastewater Treatment Plants (WWTP) and the implementation of significant improvements. In one city I also had one Water Treatment Plant which also was updated through a construction project. While serving with a Sanitation Authority (composed of 5 cities) I was involved in the implementation of agreements for a \$ 105 million private renovation of the Waste Incinerator operation into a Waste to Energy Plant which included an industrial wastewater pretreatment facility. I also worked with the landfill's wastewater pretreatment plant. My point is that I don't need another WWTP construction project on my Resume. In my opinion my workload would be a lot more for the remainder of my service in Northfield Township if the Board does approve this project.

I also want to make it clear that I understand the impact that sewer rates have on individuals and the community. My wife and I have owned 5 single family houses in our 43 + years of marriage. Each of these were on municipal water and sewer. We have also paid property taxes on each of these. We have passed the 25 th anniversary of purchasing our current house in Garden City, in Wayne County.

Attached Is a copy of my latest Water & Sewer bill. Garden City bills every two months. The sewer bill is based on metered water use. The sewer bills go up in the summer as water use in the yard is still used to prepare the sewer bill.

The bill for 60 days from December 26-February 25 had two charges for sewers. The sewer fixed charge is \$ 8.76 and the charge based on the meter was \$ 68.15 for a total of \$ 76.91. This would be an average of \$ 38.45/mo. Therefore, 3 months would be about \$ 115.35. This compares to \$ 90.20 per quarter in Northfield Township. Prior to, during, and following my tenure as City Manager in Garden City (May 1993-May 1996) the City was under mandate by the State and Federal governments to separate storm water flow from sewer flow. Out of 100 miles of local roads under the City's control, we rebuilt the roads, sewer, and storm water system under approximately 15 miles of local roads. Approximately 5 miles of local roads were planned, but later completed after my service was completed. Recommendations I made impacted my personal rates and taxes for 22 plus years so far after I left office.

I know I get rather wordy, but I think it should be clear Dan is recommending this be done and I trust Dan's opinion.

### Sent from $\underline{\text{Mail}}$ for Windows 10

From: Mary Bird

**Sent:** Friday, March 15, 2019 11:45:26 AM

To: Steven Aynes Subject: Scan

Here you go Steve

Mary L. Bird Bldg/Planning/Zoning Coordinator Northfield Township 734 449-2880 x 17



03/07/2019 Billing Daire Alagalinic: 32211 DONNELLY ST Service Robiness 03/28/2019 Due Date \$123.37 Amount Due

Payment After Due Date

Service Address

Previous

912

\$135.72

GCM0307A AUTO SCH 5-DIGIT 48135 7000001212 00.0004.0199 1207/1

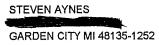
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Billing Date

03/07/2019

SEWER FIXED CHARGE





Read Type A = Actual

Read Type

Α

Read Type E = Estimated

Usage

14

Make check payable to the Garden City Water Department and return this stub with your payment.

# of Days Service Period 60 12/26/2018 - 02/25/2019 \$0.00 PREVIOUS BALANCE \$37.70 WATER \$8.76 WATER FIXED CHARGE \$68,15 **SEWER** 

Account #

Water Sewer	\$2.693/unit \$4.868/unit = 748 Gallons
1 Unit	= 748 Gallons

\$123.37 **CURRENT CHARGES** TOTAL **\$123.37** TOTAL AFTER 03/28/2019 \$135,72



Current

926

A Great Place to Call Home!



Payable to the Garden City Water Department, 6000 Middlebelt Rd. Garden City, MI 48135-2499. Pay by mail, the cashier's office at City Hall or use the drop box located at the north side of City Hall.

\$8.76

We now take credit card and E-Check payments; fees apply. Pay online at www.gardencitymi.org or call 1-844-392-3651.

City Hall office hours are Mon - Thurs 9 am - 5 pm & Fri 8 am - 4 pm. Office phone number is (734) 793-1630. Failure to receive the water bill does NOT waive penalty. Unpaid bills become a lien against the property.

Please contact Department of Public Service at (734) 793-1800 if there is a water main break in your area.

GARDEN CITY RESIDENTS AND BUSINESS OWNERS CAN NOW SIGN UP TO RECEIVE THE WATER BILL VIA E-MAIL. FOR MORE INFORMATION CONTACT OUR OFFICE AT (734) 793-1630.

From: Steven Aynes

Sent: Wednesday, March 20, 2019 10:01 AM

To: Board of Trustees

Cc: Paul Burns; Jennifer Carlisle; Steve Mann; Stephen Hayduk; Brian Rubel; Dan Willis; Yvette Patrick

Subject: FW: Northfield Twp. Capital Project

Attached are two schedules for bonding for two projects. The Board could approve both, one, or reject moving forward. I am not expecting or recommending any action by the Board at the 3/27/19 meeting. It is up to the Board to tell staff and consultants how you want to address this issue.

Previously I received this Spring a schedule showing both projects combined in one bond. I thought the Board would prefer to see these as separate for the sake of discussion. If the Board decides to proceed with both at the same time it would be more efficient to do this as one bond.

The schedule for the Retention Tank project is based on \$ 3.5 million. The engineers estimate is \$ 3,360,000. However, for the sake of advertising and selling bonds the \$ 3.5 million allows some contingency in case bids come in higher or other unexpected costs occur. The schedule is based on zero dollars provided up front by the Township. You could pay cash for a portion of the project which would decrease the overall cost of the project.

The \$ 3.5 million at the estimated 4 % interest would be a cost including interest of \$ 5,153,600.

The second project would be for sewer work. This is shown at \$ 2 million. Total with interest and no cash down would be \$ 2,939,000.

So if both are done this would be over \$ 8 million over the 20 year term.

I plan to forward to you the earlier communication that shows both projects combined into one project and the cover letter that goes with it.

I would point out that most people cannot buy a house with 100 % cash. They borrow for 15, 20, or 30 years. So someone might say I bought my house for \$ 100,000.

Actually over 20 years I would guess it would be \$ 200,000. But people still don't say I bought my house for the higher number. Just something to think about.

One Board member asked me about the State Revolving Loan Fund (RLF). One party estimates the interest rate through this program is currently 2 % while another said about 2.5 %.

This would require about two years of studies and submittal and approval time from the State. It would cost a lot of money paid to an engineering firm to do this. By the time the funds were approved the interest rate would most likely increase or decrease. It is my understanding that interest rates on bonds are low at the 4 % level. Waiting 2 years could put the RLF interest rate higher at 4 %, 6%, etc. depending on the bond market. So I would not recommend this option. The cost of the studies, the possible increase in sewer rates, the possible increase in construction costs all argue for not selecting this option.

It is my understanding that if the Board decides to proceed on one or both projects, it would be the Spring of 2020 at the earliest before construction occurs. That is usually a good time to start construction and secure bids and financing over the winter. Further delays could push it into the Summer of 2020 when construction companies and manufacturers of materials may be very busy. A delay could make cost even higher or push it further in the future.

I will be providing additional information.

Steve

Sent from Mail for Windows 10

From: Stephen Hayduk <snh@bendzinski.com> Sent: Tuesday, March 19, 2019 2:42:41 PM

To: Steven Aynes

Subject: RE: Northfield Twp. Capital Project

Steve,

Please see the attached PDF. The first page is the schedule of debt service requirements for \$3.5 million over 20 years for the WWTP improvements and the second is for \$2 million over 20 years for the sewer improvements. Please let me know if you have any questions or need anything else.

#### Thanks

From: Steven Aynes <ayness@Northfieldmi.gov>

**Sent:** Tuesday, March 19, 2019 1:40 PM **To:** Stephen Hayduk <<u>snh@bendzinski.com</u>> **Subject:** RE: Northfield Twp. Capital Project

Stephen,

The schedule of Debt Service Requirements which I believe was dated 11/28/2018 was for \$ 3,360,000 which was to fully fund the Retention Tank. This was updated by the Engineer in November because the earlier amount of \$ 3 million was a few years old. The \$ 3,360,000 cost was based on his review of the costs of construction material and labor during the 2018 construction season.

I believe it was increased to try to make sure that the amount of bonds would be less than the amount ultimately needed. So \$ 3.5 million was used. The balance of \$ 2 million was to cover sewer line projects. So I need to have one schedule for \$ 3.5 million for the construction of the Retention Tank and associated work at the WWTP and the other \$ 2 million for the sewer work. Please date these with a current date.

**Thanks** 

Steve Aynes



March 11, 2019

Board of Trustees Township of Northfield 8350 Main Street Whitmore Lake MI 48189

Dear Board of Trustees:

This letter will attempt to summarize a meeting with Township officials, the Township Attorney, Bond Counsel and Township Engineers. The Township has two options to finance this project. The first would be the issuance of General Obligation Limited Tax Bonds for the amount of the project costs. The bonds would require a 45 day right-of-referendum. However, the Township could pledge sewer revenues for the payment of the debt service or they could pay the bonds from any legally available funds of the Township.

The second option to the Township is the issuance of Sewer System Revenue Bonds. This also requires a 45 day right-of-referendum; however, the bonds are payable solely from sewer system revenues. The Township would be required to fund a bond reserve in an amount equal to approximately 10% of the par amount of the bonds. This could be funded from cash on hand or could be funded from bond proceeds. The Township would have to set rates on an annual basis that would produce approximately 110% of the debt service requirements. These bonds would sell for 50-100 basis points higher than General Obligation Limited Tax Bonds. The General Obligation Limited Tax Bonds would produce a lower interest rate then the revenue bonds to the Township.

We are enclosing Schedule of Debt Service Requirements for a bond issue in the amount of \$5,500,000 payable over 20 years. The average annual debt service is approximately \$385,500 and would require each Residential Equivalent User ("REU") to pay \$94.00 per year or \$7.84 per month.

We believe this summarizes the meeting and the options available as discussed at the meeting. We look forward to working with the Township on a successful financing of this project. In the meantime, should you have any questions or require any additional information, please do not hesitate to call.

Sincerely,

BENDZINSKI & CO.

Municipal Finance Advisors

Robert J. Bendzinski, CIPMA Registered Municipal Advisor

RJB Enc:

cc:

Steven Aynes Steve Mann Paul Burns Brian Rubel



# \$3,500,000 TOWNSHIP OF NORTHFIELD COUNTY OF WASHTENAW, STATE OF MICHIGAN CAPITAL IMPROVEMENT BONDS, SERIES 2020 (WWTP Improvements)

#### SCHEDULE OF DEBT SERVICE REQUIREMENTS

#### On a Calendar Year Basis

						Total
	Principal		Interest	Interest		Principal
	Due	Interest	Due	Due		& Interest
Year	April 1	Rate	April 1	ctober 1		quirements
2020	\$ -	4.000%	\$ -	\$ 70,000 3	* \$	70,000
2021	120,000	4.000%	70,000	67,600		257,600
2022	120,000	4.000%	67,600	65,200		252,800
2023	125,000	4.000%	65,200	62,700		252,900
2024	130,000	4.000%	62,700	60,100		252,800
2025	135,000	4.000%	60,100	57,400		252,500
2026	145,000	4.000%	57,400	54,500		256,900
2027	150,000	4.000%	54,500	51,500		256,000
2028	155,000	4.000%	51,500	48,400		254,900
2029	160,000	4.000%	48,400	45,200		253,600
2030	165,000	4.000%	45,200	41,900		252,100
2031	175,000	4.000%	41,900	38,400		255,300
2032	180,000	4.000%	38,400	34,800		253,200
2033	190,000	4.000%	34,800	31,000		255,800
2034	195,000	4.000%	31,000	27,100		253,100
2035	205,000	4.000%	27,100	23,000		255,100
2036	210,000	4.000%	23,000	18,800		251,800
2037	220,000	4.000%	18,800	14,400		253,200
2038	230,000	4.000%	14,400	9,800		254,200
2039	240,000	4.000%	9,800	5,000		254,800
2040	250,000	4.000%	5,000	-		255,000
	\$ 3,500,000		\$ 826,800	\$ 826,800	\$	5,153,600

#### **Assumptions:**

Bonds Dated:	04/01/2020
First Interest Payment:	10/01/2020
Number of Days:	180 *
Subsequent Interest Payment:	04/01/2021
Number of Days:	180
First Principal Payment:	04/01/2021
Projected Interest Rate	4.00%

#### 615 Griswold Street, Suite 1225, Detroit, Michigan 48226-3997 PHONE: (313) 961-8222 FAX: (313) 961-8220

The information contained herein was derived from sources generally recognized as reliable and does not make any representations as to correctness or completeness and has in no way been altered except to the extent that some information may be summarized, and is in no way intended to be a solicitation for orders.



34

# \$2,000,000 TOWNSHIP OF NORTHFIELD COUNTY OF WASHTENAW, STATE OF MICHIGAN CAPITAL IMPROVEMENT BONDS, SERIES 2020 (Sewer Improvements)

#### SCHEDULE OF DEBT SERVICE REQUIREMENTS

#### On a Calendar Year Basis

					Total
	Principal		Interest	Interest	Principal
	Due	Interest	Due	Due	& Interest
Year	April 1	Rate	April 1	October 1	Requirements
2020	\$ -	4.000%	\$ -	\$ 40,000	* \$ 40,000
2021	70,000	4.000%	40,000	38,600	148,600
2022	70,000	4.000%	38,600	37,200	145,800
2023	75,000	4.000%	37,200	35,700	147,900
2024	75,000	4.000%	35,700	34,200	144,900
2025	80,000	4.000%	34,200	32,600	146,800
2026	80,000	4.000%	32,600	31,000	143,600
2027	85,000	4.000%	31,000	29,300	145,300
2028	90,000	4.000%	29,300	27,500	146,800
2029	90,000	4.000%	27,500	25,700	143,200
2030	95,000	4.000%	25,700	23,800	144,500
2031	100,000	4.000%	23,800	21,800	145,600
2032	105,000	4.000%	21,800	19,700	146,500
2033	110,000	4.000%	19,700	17,500	147,200
2034	110,000	4.000%	17,500	15,300	142,800
2035	115,000	4.000%	15,300	13,000	143,300
2036	120,000	4.000%	13,000	10,600	143,600
2037	125,000	4.000%	10,600	8,100	143,700
2038	130,000	4.000%	8,100	5,500	143,600
2039	135,000	4.000%	5,500	2,800	143,300
2040	140,000	4.000%	2,800		142,800
	\$ 2,000,000	<del></del>	\$ 469,900	\$ 469,900	\$ 2,939,800

#### Assumptions:

Bonds Dated:	04/01/2020
First Interest Payment:	10/01/2020
Number of Days:	180 *
Subsequent Interest Payment:	04/01/2021
Number of Days:	180
First Principal Payment:	04/01/2021
Projected Interest Rate	4.00%

#### 615 Griswold Street, Suite 1225, Detroit, Michigan 48226-3997 PHONE: (313) 961-8222 FAX: (313) 961-8220

The information contained herein was derived from sources generally recognized as reliable and does not make any representations as to correctness or completeness and has in no way been altered except to the extent that some information may be summarized, and is in no way intended to be a solicitation for orders.

#### \$5,500,000 TOWNSHIP OF NORTHFIELD COUNTY OF WASHTENAW, STATE OF MICHIGAN CAPITAL IMPROVEMENT BONDS, SERIES 2019

#### SCHEDULE OF DEBT SERVICE REQUIREMENTS

#### On a Calendar Year Basis

									Total	
	F	Principal		Interest		Interest			Principal	
	Due		Interest	Due		Due			& Interest	
Year	April 1		Rate	April 1		October 1			Requirements	
2020	\$	-	4.000%	\$	-	\$	110,000	*	\$ 110,00	0
2021		185,000	4.000%		110,000		106,300		401,30	0
2022		190,000	4.000%		106,300		102,500		398,80	0
2023		200,000	4.000%		102,500		98,500		401,00	0
2024		205,000	4,000%		98,500		94,400		397,90	0
2025		215,000	4.000%		94,400		90,100		399,50	0
2026		225,000	4.000%		90,100		85,600		400,70	0
2027		235,000	4.000%		85,600		80,900		401,50	0
2028		245,000	4.000%		80,900		76,000		401,90	0
2029		255,000	4.000%		76,000		70,900		401,90	00
2030		265,000	4.000%		70,900		65,600		401,50	10
2031		275,000	4.000%		65,600		60,100		400,70	0
2032		285,000	4.000%		60,100		54,400		399,50	0
2033		295,000	4.000%		54,400		48,500		397,90	0
2034		305,000	4.000%		48,500		42,400		395,90	0
2035		320,000	4.000%		42,400		36,000		398,40	0
2036		330,000	4.000%		36,000		29,400		395,40	0
2037		345,000	4.000%		29,400		22,500		396,90	0
2038		360,000	4.000%		22,500		15,300		397,80	0
2039		375,000	4.000%		15,300		7,800		398,10	0
2040		390,000	4.000%		7,800		-	_	397,80	0
	\$	5,500,000		\$	1,297,200	\$	1,297,200	_	\$ 8,094,40	0

#### Assumptions:

Bonds Dated:	04/01/2020
First Interest Payment:	10/01/2020
Number of Days:	180 *
Subsequent Interest Payment:	04/01/2021
Number of Days:	180
First Principal Payment:	04/01/2021
Projected Interest Rate	4.00%

#### 615 Griswold Street, Suite 1225, Detroit, Michigan 48226-3997 PHONE: (313) 961-8222 FAX: (313) 961-8220

The information contained herein was derived from sources generally recognized as reliable and does not make any representations as to correctness or completeness and has in no way been altered except to the extent that some information may be summarized, and is in no way intended to be a solicitation for orders.

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#### LAW OFFICE OF PAUL E. BURNS

Attorney at Law 133 West Grand River Brighton, Michigan 48116 (810) 227-5000 FAX (810) 220-5895

#### ATTORNEY-CLIENT PRIVILEGED CONFIDENTIAL COMMUNICATION

December 5, 2018

#### VIA ELECTRONIC MAIL

Northfield Township Board of Trustees Township of Northfield 8350 Main Street Whitmore Lake, Michigan 48189

Re: Wastewater Treatment Plant

Dear Trustees,

The Township Board has asked that my office summarize the Township's legal obligations with regard to its Wastewater Treatment Plant. In order to understand the legal obligations of the Township with regard to the Township's Wastewater Plant, it is important to understand its legal history. The history of the plant is very complex. Below is a list of the legal documents of which I am aware that relate to the Township's Wastewater Treatment Plant:

- Lease of Sewage Disposal System and Sewage Treatment Agreement. Dated: 09/30/1969
- Opinion and Order Dated: 02/29/1972
- 3. Order Dated: 05/04/1972
- 4. Supplemental Order Dated: 09/11/1978
- 5. Supplemental Order Dated: 03/19/1991

- 6. Intergovernmental Agreement (Northfield-Hamburg)
  Dated: 03/14/1991
- 7. Amended Consent Judgment Dated: 05/23/2002
- 8. Township of Northfield/Township of Green Oak Wastewater Treatment Contract
  Dated: 06/25/2001
- 9. Township of Northfield/Township of Green Oak Wastewater Treatment Contract
  Dated: 11/17/2004
- \* Copies the above documents will be forwarded to the Board by separate email due to their file size.

By way of explanation, in the early 1970's a lawsuit was initiated by the Lakeland Property Owner's Association against Northfield Township in the Livingston Circuit Court under the Michigan Environmental Protection Act. The Livingston Circuit Court took jurisdiction and rendered a legal Opinion and Order on February 29, 1972. In that court Order and Opinion the Livingston Circuit Court redetermined the effluent standards for the Township's Wastewater Treatment Plant previously set fourth by the State of Michigan. In short, at this point in time, the Township's Wastewater Treatment Plant's effluent standards and flow became under the dual jurisdiction of the State of Michigan and the Livingston County Circuit Court.

The Order and Opinion of the Livingston County Circuit Court states, in part, as follows:

It is the further order of this Court that defendant herein is no longer restrained from physically increasing the size of its waste water disposal plant but that said defendant cannot and is hereby ordered not to increase the volume of its daily discharges beyond 250,000 gallons per day until further order of the Court and the Court being satisfied, at that time, that the above judicially set standards have been met and will be regularly met and will continue to be met as the discharge volume increases and further that the Court is satisfied that plaintiffs receiving waters will not be polluted

by such increase in volume of effluent discharge.

The Order and Opinion also states, in part:

It is further order of this Court that this Court shall retain jurisdiction of this matter pending completion of the re-designated time schedules mentioned above by the Water Resources Commission

The Order and Opinion was amended on September 11, 1979 by consent to increase the allowable flow of the Wastewater Treatment Plant to 700,000 gallons per day.

On March 19, 1991, after a Supplemental Order was entered by Livingston Circuit Judge, Stanley J. Latreille to allow for the expansion of the Wastewater Treatment Plant to 1,500,000 gallons per day, if Hamburg Township purchased capacity of 250,000 gallons per day and 1,300,000 gallons per day if Hamburg Township did not purchase capacity. Specifically the Supplemental Order states, in part:

- 1. NORTHFIELD shall be permitted to increase the capacity of its Wastewater Treatment Plant to One Million Five Hundred Thousand (1,500,000) gallons per day based upon an annual average. The Wastewater Treatment Plant with said increased Capacity is hereinafter referred to as the "EXPANDED PLANT", and is subject to the following provisions of this Supplemental Order.
- 5. If HAMBURG TOWNSHIP does not purchase 250,000 gallons per day of the capacity of the EXPANDED PLANT from NORTHFIELD, then the Capacity of the EXPANDED PLANT may only be Increased to One Million Three Hundred Thousand (1,300,000) gallons per day on an annual average. In such event, all other provisions of this Supplemental Order shall remain in full force and effect.

The Supplemental Order contemplates expansion of the Wastewater Treatment Plant and became the incentive for Northfield Township to enter into intergovernmental

agreements with Hamburg Township and Green Oak Township, which are parties to the lawsuit.

On March 14, 1991, at approximately the same time, Northfield Township entered into an intergovernmental agreement with Hamburg Township. The intergovernmental agreement states, in part:

The expansion is expected to occur in phases. Phase 1 is expected to increase the capacity of the Plant to One Million One Hundred Thousand (1,100,000) gallons per day. Phase 2 is expected to increase the capacity of the Plant to One Million Three Hundred Thousand (1,300,000) gallons per day. Phase 3 is expected to Increase the capacity of the Plant to One Million Five Hundred Thousand (1,500,000) gallons per day. NORTHFIELD, in its discretion, may combine the phases and determine the timing of phases. NORTHFIELD agrees to exercise due diligence in the construction of its expanded Plant so as to provide service to HAMBURG pursuant to the terms of this Agreement. This provision is not intended to modify paragraph V(B) of this Agreement.

#### II. SEWAGE DISPOSAL SERVICE BY NORTHFIELD

- A. NORTHFIELD agrees to receive and treat sanitary Sewage from HAMBURG provided that the flow does not exceed Two Hundred Fifty Thousand (250,000) gallons per day based upon an annual average, within eighteen (18) months after NORTHFIELD receives payment pursuant to paragraph IV(A) of this agreement, and
- B. The effluent from HAMBURG shall emanate only from an area of HAMBURG outlined in Attachment "A" attached hereto, dated March 14<sup>th</sup>, 1991 and signed by the Supervisor and Clerk for each Township. Said effluent shall emanate only from residential homes and commercial establishments. No industrial effluent shall be permitted. The map may be altered with the written agreement of NORTHFIELD which may not be unreasonably withheld. It is the intent of the parties that the properties abutting Strawberry Lake, excluding the properties commonly referred to as the "Bluffs", be provided with sanitary sewage disposal service. HAMBURG agrees to use its best

efforts to provide service to said properties.

Hamburg did not exercise its right to purchase 250,000 gallons per day within the time parameters in the Intergovernmental Agreement. As a result, Hamburg Township's option to purchase capacity in Northfield's Wastewater Treatment Plant lapsed.

On May 25, 2002 an Amended Consent Judgment was entered by Livingston Circuit Judge, Daniel A. Burress. The Amended Consent Judgment allows expansion of the Wastewater Treatment Plant to 2.25 million gallons per day, upon certain conditions. The Amended Consent Judgment, in addition, creates a committee, known as the ISC (Intermunicipal Sewer Committee). The ISC is defined in the Consent Judgment:

#### PURPOSE OF INTERMUNICIPAL SEWER COMMITTEE

The ISC shall study currently existing, publicly owned treatment plants located within HAMBURG, NORTHFIELD and GREEN OAK and shall study whatever effluent to formulate written recommendations for the best available technology that is practical, economically feasible and effective for each community's treatment plant.

## DUTIES AND POWERS OF INTERMUNICIPAL SEWER COMMITTEE

The ISC shall have general authority to monitor the member townships' existing sewage plants and make recommendations thereto. The existing sewage treatment plants shall mean (i) the Northfield Township Waste Water Treatment Plant on Leman Road in Green Oak Township, (ii) the Hidden Lake Waste Water Treatment Plant located on Silver Lake Road In Green Oak Township, and (iii) the Hamburg Township Waste Water Treatment Plant located on M-36 in Hamburg Township.

Thereafter, two intergovernmental contracts were entered into between Northfield Township and Green Oak Township, on June 25, 2001 and November 17, 2014. The June 25, 2001 agreement was designed to legally "cap" the capacity provided to specific properties located in Green Oak Township. The properties in Green Oak Township were part of a long-standing special assessment district. At the time, Green Oak Township was granting connections to users in Green Oak Township unbeknownst to Northfield Township and to users that were not part of the Special Assessment District.

The November 17, 2004 Intergovernmental Agreement was designed to provide sewer service to a specific portion of Green Oak Township and to provide connection revenue to support payment of municipal bonds for Northfield 's Wastewater Plant expansion. The Intergovernmental Agreement states, in part:

#### SEWAGE DISPOSAL SERVICE BY NORTHFIELD

Northfield agrees to receive into its plant and treat Sanitary sewage from Green Oak, provided the average daily flow as determined on an annual basis does not exceed a total of 200,000 gallons per day calculated on an annual basis (being equal to 1600 REU's) for the term of the Contract. The effluent From Green Oak shall emanate only from an area of Green Oak outlined in Exhibit "A" attached hereto

#### CHARGES FOR FUTURE CONNECTIONS TO NORTHFIELD'S WASTEWATER SEWAGE DISPOSAL SERVICE

Northfield and Green Oak agree that users currently Connected to the Northfield sewage disposal system will not be charged a connection fee pursuant to this contract. Northfield and Green Oak also agree that those property owners which are not currently connected to the Northfield sewage disposal system will be assessed a connection fee at such time as they indicate a willingness to connect to Northfield's sewage disposal system pursuant to this contract. The connection fee will be calculated based on Northfield's then prevailing rater per residential equivalent unit. Northfield's engineers shall determine the number of residential equivalent units applicable to the property requesting to connect to Northfield's sewage disposal system. The number of residential equivalent units shall be determined based on Northfield's ordinances then in effect. Green Oak agrees to be bound by Northfield's ordinances as to the calculations and charges for residential equivalent units. All requests by those property owners who desire to connect to Northfield's sewage disposal service shall request, in writing, service from Northfield.

In summary, there are three tiers and/or layers of legal obligations that the Township is required to fulfill. They are:

- 2. Any and all requirements of the State of Michigan MDEQ permit which is currently in force and effect.
- 3. All requirements of the court orders that have been entered by the Livingston County Circuit Court, the most recent being dated May 23, 2002.
- 4. The contractual obligations of the intergovernmental agreements with both Green Oak Township and Hamburg Township.

Please contact our office with any questions in this regard.

Very truly yours,

Paul E, Burns

cc: Mr. Steven Aynes

Mr. Dan Willis

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From: Jacqueline Otto

**Sent:** Monday, March 25, 2019 3:37 PM **To:** Steven Aynes; Board of Trustees

Cc: Paul Burns; Steve Mann; Brian Rubel; Stephen Hayduk; Dan Willis; Jennifer Carlisle

Subject: Re: Lyon Township

Thank you for the follow-up. Good information to know. We should have more of this type of information from our surrounding communities.

#### Get Outlook for iOS

From: Steven Aynes <ayness@northfieldmi.gov>

Sent: Monday, March 25, 2019 3:02 PM

**To:** Board of Trustees

Cc: Paul Burns; Steve Mann; Brian Rubel; Stephen Hayduk; Dan Willis; Jennifer Carlisle

Subject: RE: Lyon Township

#### Sent from Mail for Windows 10

I spoke with Patricia Carcone, Treasurer of Lyon Township, about the information in the paper regarding the water system improvements including the construction of a new water tower. A storage tank will be added to the top in a few months. Other storage capacity is mentioned in the article.

The cost of their new improvements is \$ 16.5 million. This is for water.

Patricia said that the Township used to have Oakland County maintain and operate the WWTP plant and system.

In 2016 they invested \$ 5 million into capital improvements in the plant. The are looking ahead to borrow more money to service the Township due to the substantial growth of the community. They are expecting to bond to install more sewer lines.

The reason the Treasurer said they were able to cover the cost of the improvement was through contracting out the operation and saving enough to pay the capital cost bond obligation.

Lyon Township bills based on REU's. Currently the sewer charge is \$ 115.78 per quarter. She also said that the sewer hookup fee throughout the Township is \$ 14,000. They have a private Partner who receives \$ 10,000 and the Township receives \$ 4,000.

The Township intends to have another rate study performed by an outside consultant in the near future.

Patricia said she has been Treasurer for about 27 years. The Supervisor has been on the Board for about 10 + years.