



Houghton Township
5059 4th St.
Eagle River MI 49950
906-337-1970
email: houghtontwp@pasty.net

Houghton Township (Eagle River) Water Project

Public Meeting, April 17, 2023

Minutes

A Public Meeting was held in the Houghton Township Community Center on April 17, 2023, to discuss the proposed project, project alternatives, costs, methods of generating revenue to pay off debt from a potential loan, and address comments and questions. The meeting was attended by the Township Board, interested citizens and representatives of Traverse Engineering Services, P.C.

Prior to the meeting, a Public Notice was posted on March 31, 2023, on the two Township Bulletin Boards near the Eagle River mailboxes and outside of the Houghton Township Committee Center. Additionally, the notice was mailed to all Houghton Township water customers on April 1 with their 2Q23 water bill. The notice invited all to attend the meeting and to review the draft Project Planning Document posted on the Houghton Township website prior to the meeting. Those that could not attend in person were invited to provide their comments and questions by April 17 so that they could be addressed at the meeting. The Public Notice is attached to these minutes.

Attendees included:

Ray Chase, Houghton Township Supervisor
Marjorie Marshall, Houghton Township Clerk
Mary Long, Houghton Township Treasurer
Thomas Hall, Houghton Township Trustee
John Steven Kline, Houghton Township Trustee
Daniel Steck, Houghton Township resident
Elaine Hall, Houghton Township resident
Robert Fischer, Houghton Township resident and Gitche Gumees Bible Camp Director
David Schumacher, Houghton Township resident
Linda Paradiso Kline, Houghton Township resident and Water Committee Chair
John Paul Pietela, PE, Traverse Engineering Services, p.c., President
Richard Supina, PE, Traverse Engineering Services, P.C., Engineer

The meeting commenced at 6:12pm and adjourned at 6:35pm.

The Project Plan, costs, and alternatives to the proposed project included in the Project Plan was presented by John Paul Pietela, Traverse Engineering. A handout outlining the project was given to all attendees and is attached to these minutes. The attendees agreed that the partially buried 100,000-gallon water tank was more economical and presented less maintenance costs versus a water tower or water stack, and that the preferred location was on existing Township property near the pumphouse versus purchase of new land from a private resident on Garden City Road was more economical.

There was a discussion regarding water rates increases as a result of the funding. Customers were informed that if 100% grant was offered, there would be no immediate impact on our water rates, and if 100% loan was offered, there would be no way the Township could accept this level of debt on its water customers. If, however, both grant and loan is offered, the Township would need to consider the amount of debt, the terms under which it is offered, and present options to the public at subsequent public meetings prior to acceptance of funding. One option would be to raise water rates to cover the debt, if not too burdensome on customers. Another option is to phase the project, perhaps first construct the tank followed by replacement of the galvanized water main and service lines at a later point in time. It was pointed out that we will not know our score by EGLE, nor funding offered, until 3Q23. At that time, additional public input would be sought regarding any potential impact on Houghton Township water rates, as necessary.

Questions that were generated at or before the meeting and presented for discussion at the meeting were as follows:

Debbie and Kim Taskila sent in on April 13, 2023:

Q: Do you have any projections on how this project will affect our water costs and/or taxes? Also, is there a timeline on construction start and finish dates if the project is approved?

A: There is no impact on property taxes as our water costs are funded solely via water customer payments. As far as a potential water rate increase, the scenarios above were reiterated; if 100% grant, no impact on water rates; if 100% loan, this is not sustainable for our customers; if partial grant and loan, impact on water rates would need to be evaluated and discussed with the public prior to acceptance of funding. The planned start date of the project is June 2024 with completion in 2026.

Daniel Steck sent in on April 17, 2023:

Q: Does the proposal include an analysis of the requirements of the Zoning Ordinance and the Wellhead Protection Program?

A: Traverse Engineering will verify that construction of a reservoir on the pump house site is allowed under the Keweenaw County Zoning Ordinance.

The State of Michigan requires a minimum 200 feet isolation area around public water supply wells. Activity that might jeopardize the well is prohibited within that boundary. Reservoirs fall in the same category as a well house and are allowed within the isolation area. Houghton Township does not have a State of Michigan approved Wellhead Protection Plan.

Elaine Hall asked the following question:

Q: The Project Plan includes replacement of the service lines from the main to the property line (Buffalo Box). Who pays for any replacement connections deemed necessary from the Buffalo Box to the house or business?

A: Historically, the property owner has paid for this line. Any replacement lines necessary as a result of the construction will be paid by the property owner. Only very old connection lines are anticipated to need replacement. The estimated cost is \$1500 - \$2000 per line. There was additional discussion on whether a contractor could be hired to do all the necessary replacements at the same time to reduce costs to individual property owners but would take some coordination to be realized.

Following public comment, the Township Board approved the original Project Plan as drafted. A Resolution to Adopt the Final Project Planning Document was signed by the Township Supervisor and is attached to these minutes.



PUBLIC MEETING Eagle River Water Project

April 17, 2023

6:00p

**Houghton Township Community Building
5059 4th St.
Eagle River MI 49950**

A Public Meeting will be held on April 17, 2023, in the Houghton Township Community Building at 6:00p to discuss the proposed Drinking Water funding application to Michigan Department of Environment, Great Lakes and Energy (MDEGLE). The Project will be presented, concerns addressed, and questions answered. Any changes made to the Project because of public comment will be addressed in the final submission.

The funding application final due date to MDEGLE June 1, 2023. The draft Project Plan is posted on the Houghton Township website, <https://www.houghtontwp.org>.

We encourage you to attend the Public Meeting in person if you are in the area. If you cannot attend in person, please review the Project Plan on the Houghton Township website and ***address your questions, suggestions and any concerns to Linda Kline, Water Committee Chair, on or before April 17, 2023.***

Linda Paradiso Kline
Eagle River Water Committee Chair
Linda_paradiso@yahoo.com
(713) 898-8965

HOUGHTON TOWNSHIP EAGLE RIVER WATER IMPROVEMENTS

For over 80 years, the Eagle River water system has been operating adequately but is now in need of improvements to remain in compliance with current regulations and to upgrade service levels. The Township's highest priority capital need is to totally upgrade the obsolete drinking water system by replacing the galvanized water main and the construction of a storage reservoir.

The Michigan Department of Environment, Great Lakes and Energy (MDEGLE) has requested that the Township address three issues as part of any water improvement project. The first issue is excessive pressure loss due to old, small diameter and dead-end water mains in the distribution system. This will be resolved by installing a looped system with a larger diameter water main. The second issue is insufficient valves to minimize interruptions of service and minimize sanitary hazards during repairs. The proposed water distribution system will have enough valves to isolate the system one, block at a time. The third issue is insufficient storage tank capacity. The proposed ground level storage reservoir will address this issue.

The recommended project consists of the construction of 14,315 feet of new 6" and 8" water main to replace the existing 4" and smaller pipes on the distribution system and the construction of a two cell 100,000-gallon reinforced concrete partially buried ground level reservoir adjacent to the existing water source. Existing galvanized service lines, between the water main and property line, will be replaced as part of the project. The construction of the 100,000-gallon reservoir and new 6" and 8" diameter water main will allow the Township to provide an increased level of reliability and the ability to meet short term peak demands.

Total project cost estimates have been prepared for the current project. The project has been broken down into two projects. Project 1 is a new reinforced concrete reservoir and improvements to the existing pump house. Project 2 is water main and appurtenances including two new river crossings. Total Project Cost estimates are provided below.

TOTAL PROJECT COST SUMMARY

| | |
|---|-----------------------|
| PROJECT 1 - CONCRETE RESERVOIR AND PUMP HOUSE IMPVTS. | \$1,388,500.00 |
| PROJECT 2 - WATER MAIN AND APPURTENANCES | \$5,311,575.00 |
| ESTIMATED TOTAL PROJECT COST | \$6,700,075.00 |

The rate increase necessary to fund the project is not known at this date. The Township is requesting a 100% grant from EGLE to pay for the improvements. EGLE can offer 100% grant or any combination of grant and loan. If a 100% grant is offered and accepted, a small increase above the rate increase now under consideration will be needed. The increase will be needed to cover higher utility costs and more revenue to fund the repair and replacement costs.

If a grant and loan combination is offered, a decision will have to be made by the Township. The 65 customers on the system have limited ability to generate revenue for payment of loan principal and interest. Rate impacts can be determined after EGLE provides the grant/load ratio, the interest rate and the term of the loan (20 years or 30 years). That information may not be known before October. There is a lot of demand for the available dollars.

Traverse Engineering Services, P.C.
March 30, 2023

Yeas (names of Members voting Yes):

Ray Chase, Supervisor
Marjorie Marshall, Clerk
Mary Long, Treasurer
Tom Hall, Trustee
John Steven Kline, Trustee

Nays (names of Members voting No):

None


I certify that the above Resolution was adopted by Houghton Township Board of Directors
on April 17, 2023.

BY: Ray Chase

Township Supervisor

Name (please print or type)

Title



April 18, 2023

Signature

Date