

MINUTES OF THE WORKSHOP MEETING OF THE ROGERS CITY CITY COUNCIL  
HELD IN THE PRESQUE ISLE DISTRICT LIBRARY ON MONDAY, AUGUST 25, 2008

Mayor Hall called the workshop to order at 4 p.m. Those present were Council Members Darrin Darga, Debra Greene, Gary Nowak, Thomas Sobeck (lv 4:20 pm), and Mayor Beach Hall. Also present were Larry Fox of C2AE, City Mgr. Mark Slown, Water Supt. Chuck Kieliszewski, WWTP Supt. Ray Hansen, Eng Asst. Toby Kuznicki, and Clerk/Treasurer Theresa Heinzl.

The purpose of this workshop was to discuss the rural development projects and the funding possibilities of same. The workshop was turned over to Larry Fox of C2AE to provide an overview of the projects. He prepared handouts on each of the projects and their related costs.

The first topic for discussion was the sewer preliminary engineering report. A meeting was held with the department supervisors and with that discussion, these were the proposed WWTP projects:

- Upgrade Calcite Road pump station;
- Cedar Street/US23 lift station;
- M-68 extension;
- Major renovations at the WWTP facility;

The WWTP, although maintained well, is quite old and does have deficiencies. It was last upgraded in 1972 and some equipment has been repaired and is beginning to wear out. Some of the areas are not necessarily safe. The following three alternatives were given by C2AE for consideration:

- Alternative 1: Base – replace outdated equipment and just make necessary changes to keep the existing buildings in operation;
- Alternative 2: Construct new facilities at existing site;
- Alternative 3: Construct new facilities at a new site;

The capital costs estimated by C2AE are: Alternate 1) \$3,500,000, Alternate 2) \$6,200,000, and Alternate 3) \$10,400,000. Council must make the decision as to which alternative would be the best for the City. Alternative No. 1 is estimated to increase a bill by about \$39. The other two alternatives would increase the cost by one-third respectively. Alternate No. 1 is estimated to be a 20-year repair for the current WWTP facility.

Fox stated that the current intermediate rate is 3.6250% for a 40-year loan; it may be paid back at any time and the figures are based on the current number of customers. Growth would generate extra dollars to pay the loan down at a quicker pace. Rural Development has no pre-payment penalty.

Fox reviewed the cost per user to cover the repayment of a 100% USDA financing. Revenue bonds will require a 10% reserve; Act 233 LTGO would not require a 10% reserve. A typical residential customer could expect a monthly increase of approximately \$13.24 in their bill from the current \$26.95/month for a total estimated sewer bill of \$40.19/month. In response to a question on the possibility of a grant from Rural Development, Fox remarked that trying to secure a grant would take more time. Another question concerned the effect of commercial development. The Rural Development Program is geared towards serving residential, not necessarily commercial development. Fox explained that Rural Development will accept the application and determine how and for which program the City would qualify.

There was a discussion about the M-68 extension along with the Cedar Street extension and lift station and the need to have these included in the projects. Removing them from the picture would only reduce the monthly increase by \$.90/month (from \$13.24 to \$12.34).

In response to a question about Wolverine Power, City Mgr. Slown explained what he has been asked to consider should they be given the okay to construct the power plant.

Fox then moved on to the Water Department. This report identified sixteen different project locations that are designated for specific work. The list included:

1. Cedar Street from west side US-23 to Linden Street;
2. Elizabeth Street from Lenore Street to Bertram Street;
3. a) Calcite Road from Lake Street to St. Clair Avenue  
b) St. Clair Avenue from Calcite Road to Lake Street;
4. Limestone Street from First Street to Second Street;
5. Orchard Street from First Street to Second Street;
6. Woodward from Second Street to Third Street;
7. Pinewood Avenue from Larke Avenue to alley north of Dettloff Street;
8. Constance from Third Street to Patricia Street;
9. Barlow Street from Constance Street to Patricia Street;
10. Charles Street from Birchwood Avenue to Susie Lane'
11. a) Birchwood Avenue and from Franklin Street to Marquette Street;  
b) Alley to the south from Franklin Street to Marquette Street;  
c) Marquette Street from alley north to Birchwood Avenue;
12. Erie Street from Second Street to Sixth Street;
13. Multiple locations: Update well controls system;
14. Linden Street from Cedar Street to Spruce Street;

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15. M-68 from US-23 to the southwest;
16. System-wide leak detection survey;

The current water tower tank is inspected every five years and is structurally sound although the capacity is limited.

The expected increase for the water customer would be approximately \$3.05/month bringing the current bill to approximately \$25.22 per month for the water portion. Council could consider the alternatives for both the sewer and water. It may cost a little more for a shorter repayment schedule, but the terms of the funding would be for only 20 years rather than 40 years.

In order to submit an application to Rural Development, Council must hold a public hearing and a notice must be published ten (10) days in advance of the public hearing. Per the discussion at this workshop, the department supervisors were instructed to include as many repair issues or new issues as possible. Council also wanted them to calculate the capital improvement funds currently set aside each month to determine what work could be done with those dollars. It was also suggested that \$1.00/month/customer be set aside for a new water tower.

The sixteen listed area water projects would equal a total estimated project cost of \$1,227,000. Deletions/additions could be made to the proposed list. A monthly increase would be about \$3.05 or 14% increase. Fox stated that the water projects are not eligible for a grant.

With the workshop concluding, the department supervisors will review the projected costs and the numbers will be recalculated for presentation to Council. Fox cautioned that if there are additional areas to be included, clearances must be obtained and this may slow the project procedure by about 30 days.

**ADJOURNMENT:**

Mayor Hall declared the workshop adjourned at 5:50 p.m. as a Planning Commission meeting was scheduled to begin at 6 p.m.

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BEACH HALL, MAYOR

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THERESA A. HEINZEL, CITY CLERK/  
TREASURER