

CITY OF BURTON
COUNCIL WORKSHOP
DECEMBER 14, 1998, 7:00 P.M., POLICE/FIRE FACILITY

The Special Meeting was called to order by Mayor Charles Smiley at 7:10 P.M.

MEMBERS PRESENT: Centilli, Cox, Cross, Hammon, Walls and Zelenko.

MEMBERS ABSENT: Martinbianco.

OTHERS PRESENT: Mayor Smiley; B. Becker, Controller; J. Major, DPW Director; R. Riess, Water Department Superintendent; Amy Gilson, Project Manager, Rowe Engineering and G. Webster, City Clerk.

PURPOSE OF THE MEETING: Discussion and Possible Recommendation for 1998 Water and Sewer Bond Issue/Establishment of Projects and Priorities.

Mayor Smiley said this workshop was being held to help determine the utilization of the remaining bond money. We need to decide, if we should add water to the existing subdivisions or distribute it throughout the main trunks of our city. The staff has worked with Rowe to develop a couple of scenarios to review. He hoped the leaders of the city would join together and give input on this matter. Ms. Gilson, Jeff Major and Rick Riess were present to provide information and insight on this issue.

Jeff Major said we should recap the remaining bond issue funds that are available for new water and sewer projects before proceeding.

Mr. Riess said there is still an outstanding bill of \$725, 891 for the new water tower project.

Mr. Becker gave a recap of the \$2.5 million bond sale. As part of the terms, after the discount, we netted \$2,462,000. We are required to keep in reserve \$235,000 for the a payment on the revenue bonds. The Atherton Road water line project was \$360,000. CD funds did not cover the total cost of the water tower project as expected. That leaves approximately \$1,150,000 to \$1,200,00, allowing for some accumulated interest on the bond money.

The discussion focused on two main proposals developed by Rick Riess, Amy Gilson, Jeff Major and City Administration. The first proposal was to add water to older existing subdivisions. The second was to provide water to main trunks throughout the city.

A third option would be to tie in dead end lines. There has been a request to do this on Fair Lane. Some engineering has been completed on prospect of tying in the north end extensions. This would provide a second feed just in case a main broke. South end subdivisions could be eliminated because CD funds can be used in this area. Mr. Riess will reviewed a couple of proposals that have been developed. Administration is opened to any suggestions on these projects. They are looking for a consensus by Council so work can proceed on the next water project.

One suggestion was to add water to existing subdivisions. To encourage residents to tap-in, fifty percent of the cost would be paid initially then residents could pay the remaining half of the special assessment at about \$100.00 a year. Other residents wouldn't have to pay until they actually connected to the water system. Also, this would provide a back up for well failure and water for fire protection. The proposed ideas were based on requests for water and a high number of well failures in certain areas.

Mr. Riess highlighted the two proposals and the reasoning behind these ideas.

His first proposal focused on providing water to existing subdivisions. He determined the need for work by looking at such variables as high density population, water quality, age of existing subdivisions and calls from residents requesting water. He suggested starting in the older high density areas and using special assessment tap-in fees for seed money to continue to fund future projects. However, this plan does not encourage future growth in the City by providing water to new potential developments. Also, residents are not required to hook up immediately, so the pay back may not be immediate.

Subdivisions discussed included Lapeer Heights, Seeley, Holiday Villa, and two alternate sites, Kra-Nur and Eastmoreland. The total number of customers immediately available to hook up is 833. The cost of these projects will need to be taken into consideration when determining what work will be done. There is approximately \$1.2 million available at this time. (For further details see Packet - Proposed Project #1.)

In reference to Neil Martz's new development in the Davison Rd area, he could put in wells or construct a water extension on his own and then request a pay back. He should contact the golf course and the city to discuss his options.

Mr. Riess reviewed the second scenario. Proposal 2, explores the possibility of adding watermains to all county line roads. This would open up a lot of additional areas for water and encourage potential growth for future development. The bond money would be more equally spread across the city. The total number of customers immediately available to hook up is 299. There are fewer immediate opportunities to recoup the City's investment via tap-in fees. Also, this could slow down the repayment of bonds and the continued expansion of the system. The estimated total project cost is \$1,460,349. Individual project costs need to be taken into consideration. (For further details see Packet - Proposed Project #2.)

Still another option might be to add water to the farm land roads to encourage more new subdivision growth. There are many different options to choose from.

Mr. Hammon suggested the possibility of Atherton Schools connecting to water.

Mr. Riess didn't think Atherton Schools had the money to connect to the municipal water system.

Mr. Cox asked about the timeline for spending these funds.

Mr. Becker thought 95% of the money should be spent within three years. About 75% of that amount should probably be spent within 2 years.

Mr. Major said there should be no problem in meeting the timeline for expenditures. Bids will be taken for projects in early spring and DPW is ready to proceed with the desired project.

Mayor Smiley would like the City to entice residents to tap into the water system. Incentives could be offered to promote additional interest. This is a proactive approach, putting dollars to good use. He said survey cards could be sent to targeted areas to help determine the interest in connecting to the municipal water system.

There is no guarantee that there will be a complete pay back with tap-ins.

Mr. Riess highlighted the two proposals and the reasoning behind these ideas.

General discussion continued on encouraging tap-ins in the subdivisions. Front foot fees, generating revenues, the need and desire for residents to connect to municipal water were topics of discussion.

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There was some concern with giving discounts or special incentives to new water customers. Some felt all water fees should be assessed equally.

A suggestion was made that it would be beneficial to clean up dead end water lines.

Mrs. Walls suggested the Health Department begin checking existing wells. She said many of the wells would probably be condemned.

Mr. Riess said the only wells that can be checked biannually are those that accommodate more than 25 people.

Mr. Hammon wanted to know if tying dead end water lines together would help with maintenance problems.

Mr. Riess said it would definitely help with maintenance problems. It is always better to keep the water flowing. Some end line system needs to be flushed on a regular basis. Stagnate water remains standing in the area after this procedure.

We should determine if the new water loop proposal, by the Genesee County Drain Commission, will have an influence on our decisions.

Discussion continued on the two proposals for the water bond project.

Mr. Hammon suggested exploring proposal two, which would build up water infrastructure in the City. He thought it would be beneficial to begin adding water to Howe Rd., Lippincott, Atherton Rd. and some secondary roads.

Mr. Major would like everyone to review this material and then contact the Mayor with their suggestions. He hoped there would be a consensus on this issue in the near future.

Mr. Cox said Council would review the proposed information and contact the Mayor with their preferences.

Mr. Cox said it might be beneficial to use one older subdivision as a test project to find out if a majority of the residents connected to the water system. He said a combination of the two proposals might prove to work out good for the City. He hoped that the residents in the targeted areas welcomed the addition of City water.

Ms. Gilson suggested surveys be sent to the targeted areas for resident's input on the water projects. This has proven to be very effective in other municipalities that planned to do similar work.

Mayor Smiley said the administration would be very flexible, when it comes to determining the best use for spending the water bond money. He would like to be very proactive in providing water through out the City. He welcomes the Council's input and suggestions. This should be a cooperative effort for everyone involved.

Discussion continued on the pros and cons of the different proposals, determining special assessment costs and the possibility of a survey to help support targeted project areas.

There were concerns with giving residents a form of incentive to tap-in to the City water system.

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Mayor Smiley said there wasn't going to be a reduction in the tap-in fees. The suggestion was to pay half of the fees in advance and pay the remaining amount over several years to make the connection more appealing and affordable to residents. This would not be a reduction in the total payment.

Discussion continued on different approaches to financing special assessment projects.

Mr. Becker said it would be very helpful to provide residents with an approximate assessment cost when surveys are being conducted.

Targeted areas for water could be determined by resident's complaints and high need areas, rather than surveys.

Suggestions were made on adding water to secondary roads, older existing subdivisions and utilizing a combination of both Proposal 1 and 2.

Mrs. Walls suggested picking Lapeer Heights from Proposal #1 and adding Howe Rd area from Proposal 2, taking into consideration the cost of both projects.

Mr. Riess felt the old existing subdivisions seemed prime for adding water. High density subdivisions will probably provide for consistent connections.

Mr. Hammon suggested adding lines along Howe Rd. between Lippincott and Atherton. He would like to see water added to secondary roads. This might invite additional subdivisions and also would provide the City with additional infrastructure.

Mr. Cox said hopefully we would be looking for an increase in new subdivisions to hook up to the city water system or use older existing subdivisions to tap-in, resulting in a financial return or a revolving fund so the City could continue to add work.

Mr. Major said the availability of water hook up should increase the value of property and make a home more appealing to buyers.

Mayor Smiley said a five year plan could be developed to address future water needs. He felt the workshop was very positive and it helped to open the lines of communication on this issue. He said the City is ready to move ahead on these projects.

No final decisions were made on what water projects to initiate. The possibility of a survey will be discussed at the next meeting. Council will review information and a plan will be formed at the next workshop meeting.

Mr. Hammon asked that a second Water/Sewer Bond Workshop meeting be set for Monday, January 18, 1999 at 6:00 P.M. at Burton City Hall.

Meeting Adjourned at 8:40 P.M.

Gayle Webster
City Clerk

GW/cml