



CITY OF BURTON

BURTON CITY COUNCIL MEETING

JUNE 16, 2014

MINUTES

Council Chambers**Public Hearing****6:00 PM**

**4303 S. CENTER ROAD
BURTON, MI 48519**

This meeting was opened by President Tom Martinbianco at 6:00 PM.

A. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Tom Martinbianco	President	Present	
Duane Haskins	Vice-President	Absent	
Dennis O'Keefe	Councilman	Present	
Steve Heffner	Councilman	Late	6:26 PM
Ellen Ellenburg	Councilwoman	Present	
Danny Wells	Councilman	Late	6:46 PM
Vaughn Smith	Councilman	Present	

B. STAFF PRESENT

Liz Moss Deputy DPW Director
Teresa Karsney, Clerk
Spencer Kane, Stantec

Sue Warren, Human Resource Director
Dima-El-Gamal, Stantec

C. PUBLIC HEARING

1. The City of Burton will hold a public hearing on proposed Sanitary Collection System improvement project for the purpose of receiving comment from interested residents.

Mr. Martinbianco: We'll call this special5 public hearing meeting to order. It's Monday, June 16th, 2014 at about 6:13 p.m. The public hearing, the City of Burton is holding a public hearing on a proposed sanitary collection system improvement project for the purpose of receiving comment from interested residents. At this point in time we're going to defer this to the administration if they have anything. If not we will move on to the presentation.

Ms. Moss: We don't, sir.

Mr. Martinbianco: Dima, if you'd please state your name and address and who you represent for the record and give us an update on where we're at.

Ms. El-Gamal: Good evening. My name is Dima El-Gamal. I am with Stantec Consulting, Michigan, Address 3754 Ranchero Drive, Ann Arbor, Michigan. I'm before you today to talk about the SRF project plan for the city's waste water system improvement project. This is a requirement by MDEQ that we hold a public hearing and inform everyone

about what the project that the City plans or intends to go after and give them details on the project and provide them with how we analyze and how we reach the selected alternative and selected improvements. We're going to go over a quick presentation today. I'll try to make it as brief as possible. Spencer over here, Spencer Kane is with Stantec as well and he will be helping me flip through the slides. I know that everyone, I hope, has gotten a chance to look at the SRF project plan that was available for public review. The presentation today kind of summarizes what was done in this project plan. To start with, we are trying to solicit funds from the State Revolving Fund, which is a low interest loan that is, that provides about 2.5 percent interest rate over 20 years for capital improvement projects that address existing system needs. And there are eligibility requirements. And eligible project costs would include the planning, the design, legal, the preparation of plans, construction cost, administration cost, and if any land acquisition cost was required the loan would cover them as well. Basically the City is going -- why is the City going after this? There are existing needs. The City's system that is displayed in this poster that you look at is spread throughout the city and it connects to the Genesee County system for treatment. The City is responsible for multiple pump stations as well as multiple force mains and gravity sewers. Everything within the city's limits that is owned by the City is operated by the City and maintained by the City other than the interceptors and pump stations that are owned by Genesee County. This project is not going to cover your water system. The drinking revolving fund, if you remember, that we went after and we are designing right now and we just -- you know, we're going into the construction on, that covered the water system. This will not cover storm water system improvement. It will only cover your sanitary sewer system improvements. And I wanted to go over just a quick history on how we got here. We went after an S2 grant for the City. The S2 grant kind of instigated by the fact that the City received notification of impacts of wet weather flow coming from the county, and because of that there were multiple activities that took place. We did flow metering. We did -- with the grant we needed sewer and manhole condition assessments, smoke testing, dye testing, and eventually now we are going after an SRF project plan. The SRF project plan will address some of the issues that the City has. It will not address everything, but it is kind of a road map of where we want to go and what we can go after at the time.

Mr. Martinbianco: So, if I can stop you right there -

MS. El-Gamal: Sure.

Mr. Martinbianco: What you've already done under the flow metering, sewer condition assessment, smoke testing and dye testing is a precursor for the analysis of the system as a whole and brings us to the projection plan which lays out that road map, the road map to take us to where we need to be to large extent.

Ms. El-Gamal: That is correct. We use the smoke testing, for instance, as a sample. You know, we only smoke tested 45 feet of pipe, but it gives us an idea of what the problems are. It doesn't give us an exact idea of which each area's problem is, but it does give us an idea of a magnitude. So, we use it as a way to project, as a guide to project what the

entire system entails. If you remember, when we went after the S2 grant we only thought that there were certain areas within the city that have problems. We thought the northwest area would have problem and some problems at the southeast area. When we did the flow metering, and this map would kind of show you all the color-coded areas, it turns out to be a city-wide problem. We have I and I all over. Now, the map here would cover the 19 areas that have the biggest problem or that have shown the largest impact to I and I and color-coded them. But if you look at what we found as far as city-wide, the entire city has I and I. So, we tried with the limited information that is available to project, like you said, the plan for the future. Now, when I go through and discuss we're going to find that some of the issues are private and some of them are public, so some components we will be able to address through SRF project plan, others the City will need to address on its own. But we'll get to that. Before I go there I wanted to give you some definitions so that we can kind of understand where we're going and get a better idea of what the terms that I'm going to mention are going to mean. We all know the sanitary collection system it collects the sewer and it collects the flow from our sinks, from our showers and transport it to a water treatment facility. There is two terms. There is dry weather flow and there is wet weather flow. A sanitary sewer system sees its typical domestic dry weather flow, which is the actual flow, typically the sanitary sewer that is the flow that the system sees with no rain. Wet weather flow, if it's raining and you have water, rain water that is going into your sanitary sewer system, which is not supposed to go in there, that's the wet weather flow. Typically we like to see tight systems where the dry weather and the wet weather do not really vary between each other, but in older a system that doesn't happen and there is a big variation just because of something called infiltration and inflow. Infiltration

10 are cracks within the system, you know, along the pipe, whether they are the city pipes or the laterals that are connected to the city from private owners. Deterioration, dislocated joints would cause infiltration, water seeping slowly into the sanitary sewer system. And that flow typically comes days after the rain. It rains today and then two, three days after you continue to see water seeping into your system, and that is infiltration. What is an inflow? An inflow is more like an acute, quick introduction of rain water into your system. It comes from multiple sources. A broken cleanout could be a source for rain to go in. Connected downspouts, downspouts that are illegally connected to your sanitary sewer system. Sump pumps that are illegally connected to the sanitary sewer system. In some cases there are footing drains that are illegally connected to the sewer system. When these contribute flow into the sewer system they contribute a huge amount of flow within a very short time, and that's considered inflow. So, you're going to hear me talk about I and I. That's the acronym for infiltration and inflow. What do we have in the ground right now? Your existing sewer system, it has, which was constructed in the 1960s, consists of gravity sewer, force mains and pump stations. And there's a variation of pump stations. There's a variation with age, with capacities. And we currently operate ten pump stations. There has been three pump stations that were recently abandoned. When the new county interceptor was built they were abandoned and the connection to the interceptors through gravity was done. So, the system, there's no treatment system on the city side because of the fact that we utilize the County for the treatment. What does the system need? The SRF particularly likes to see a community going after existing problems. So, we looked at your system. We examined

it for existing problems. We have about five pump stations that have exceeded their useful life. We have about five force mains that have exceeded their useful life. There are -- I mentioned sewer condition assessments that were done as part of the S2 grant. You can look at the PACP, like the condition analysis reports. There are pipes that are in poor condition. Those pipes that are in poor condition to be eligible for funding under SRF they have to be a Level 4 or a Level 5. That means they have to be at imminent danger of collapsing. And those pipes, we feel that there is a need to either line or replace, depending on their location. When we did the flow metering as well we found that there are some trunk lines that have under capacity. They are not accommodating flow. That is coming to them not just only because there's high I and I, but they are under sized based on current design standards. And then we have the inflow and infiltration problem that flow metering detected and showed. And there is, based on my understanding there's possible monetary penalties that could come from the County due to those infiltration and inflow issues. So, as far as MDEQ's requirement what do we need to do? We need to evaluate alternatives. MDEQ asks in their guidelines that a community evaluates certain alternatives. The first one is no action taken. What happens if we do nothing? So, keep the system as is. It is really unreliable to operate components that are beyond their service life. So, pump stations may lose their reliability, pipes may collapse. That is, of course, the disruption in service -- I'm sorry. I have a cold. Your residents will not be able to rely on good service and environment might get adversely impacted. The other options that we could evaluate based on MDEQ guidelines is something called optimization of existing system. And when we say optimization it means we keep everything as is and we try to improve upon an existing facility, let's improve on the pipes that we have in the ground rather than totally replace them. Can we line them? That will be an optimization of the pipe that is already in the ground. Can we replace? Can we upgrade the pump stations that are there just by changing some components or updating some components? That's an optimization. So, we would look at every single component that needs improvement and we evaluate it under the optimization. Another alternative that we would look at would be the regional alternative. And the regional alternative would mean that we fix the problem by going to a regional authority. Now, if you read through the project plan, yes, there will be a good amount of, there will be needed to be a good amount of collaboration with the regional authority to address your I and I issues. But the regional authority on its own cannot solve all the problems.

Mr. Martinbianco: Can I stop you right there? There is no regional authority at this point in time. It's a concept that's being forwarded by the Drain Commission.

Ms. El-Gamel: Well, the regional authority by MDEQ's guideline is someone that is the County because we're discharging to the County. So that's why we are calling it the regional authority.

Mr. Martinbinco: That's not how -- I didn't get that description the same way. When I talk about regions I'm saying that I look at, in a graphic about how we are around here kind of almost in the southeast, near the southeast graphic or quadrant of the County, and we're going to discharge at a different rate than somebody in the northwest or the northeast is going to do and follow multiple lines. So, I guess the regional alternative to

me would be off the table because they can't address everything that we've got going unless they can micromanage it.

Ms. El-Gamal: Exactly. And that's what we're trying to say is the regional authority is not an alternative that we can rely on to solve the problem. The regional authority can contribute and collaborate with the City on certain issues that were identified in the project plan. For instance, we have an interceptor that we think there is large I and I going into an area called MO8, and that will require some smoke testing and require collaboration from the County. There are some pump station operation on the County side that it would be good if the City and the County collaborated with operation-wise to make sure that the flows kind of transport smoothly. But the County on its own or the regional authority cannot address the problem we have. So, that's our conclusion. The other alternative that MDEQ likes us to look at, if we find that there is a possibility to look at, which is the principle alternatives. And in this case it means introducing something new. Replacing a pump station, replacing a force main, replacing a trunk line, all of that would be considered a principle alternative because we're not optimizing something that's existing, we're not using an existing facility, getting an existing facility and incorporating it with more or updating more information. So, that is another alternative. And in the project plan, if you go through it, there has been under every category various evaluations for every alternative kind of broken down under each category. In order to go smoothly with this Power Point presentation we went and summarized the evaluations into tables, and we will start with the pump stations, and I'll give you examples of what we have done. A few of the pump stations that the City has there is Rinn, Casto, Cheryl Ann and Farner. These pump stations are considered can pump stations. They are old. They exceeded their service life. We were able to look at a couple of alternatives for them. Replace them with the same type pump station or replace them with a submersible pump station. We looked at both cost estimates. We looked at the operation and maintenance cost. We looked at the present worth analysis and an impact on the environment as well as on the surrounding. The cost evaluation that was developed showed us that if we have, if we went with a wet well submersible pump station, replace those that will be a more feasible alternative. That on its own was not, the monetary evaluation is not on its own the only factor. We look at safety factors. We looked at reliability factors. With the can station that we have right now you are exposing the employees to more confined space entry, the controls would be underground. In a submersible pump station you kind of reduce the exposure for the employees. So, many factors play into the evaluation, but that would be what we looked at for those certain pump stations. There's one more pump station, which is Leith pump station. And Leith pump station we looked at two alternatives as well. The first one would be let's keep everything as is and just upgrade the pumps, we have the structure, let's keep it and upgrade the pumps. The cost came out to be about \$480,000. If we had replaced the entire pump station, including the structure, which was in an okay condition, it has not exceeded its service life similar to the pumps, that's \$535,000. So, between optimization, which would be an example of an optimization alternative, and a principle, we replace everything, the optimization alternative kind of weighs over for Leith pump station. If you're looking at those tables the bolded numbers would indicate the alternative that kind of tipped the balance and was the one that would be

recommended. The next items that we evaluated were the -- was it the pump stations? I think I missed on Level 4 and Level 5. Okay. Level 4 and Level 5 gravity sewer. Under the S2 grant Young's Environmental, as well as the City staff, did a televising and it revealed the condition of the pipes. And with about 115 solid feet of pipe there were certain stretches that were identified as a Level 4 or a Level 5. Now, in the evaluation there's Level 1, 2, 3, 4, 5; 1 being excellent condition, 3 being moderate, 4 and 5 being, 5 is about to collapse, 4 is imminent danger of collapsing as well. We found a certain stretch of pipes that were 4 and 5. Those are the only pipes that are eligible under SRF. So, the SRF rules do not allow a community to come in and say I want to replace these pipes or I want to line these pipes just because we think they're old. We got to prove to them that they are Level 4 or 5 in order for them to allow them as eligible components, and that's what we did. When we looked at that, they are -- if you look in the project plan they are scattered all over. So, there were two options, two alternatives that we looked at. Can we line the majority of them or can we replace the majority of them? In order to make that determination we ended up having our staff review the videos and look at the constructability of each section. You know, if we can line it, if lining was possible that is a better alternative because you are looking at less invasive type construction. If we need to replace it because there's a big, you know, there are multiple cracks, there are multiple broken pipe sections we need to replace it. And that's what we did. We looked at the majority lining, and the majority lining the capital cost of it was about 1.3 million, and then we looked at all replacing and the cost was 2.8. Again, when you look at the cost estimate and the present worth analysis the optimization using lining was proven to be more feasible on that component. Okay. Now we need to go to pump stations with capacity constraints. Pump stations with capacity constraints, those are pump stations that showed a huge reaction I and I. So, there is a lot of infiltration and inflow contributing to those pump stations. And those stations were Casto, Cheryl Ann and Woodrow. We can look at two components there. The first component is called inline storage. So, that means we need to collect the water that comes upstream of those pump stations and hold it in the pipe by replacing the pipe to a larger pipe so that the operation of that pump station can be within capacity of the pump station. That cost was about \$4.1 million. So, it's huge. The other option would be is to do I and I removal, aggressive I and I removal. There has been multiple documents that have been presented to the City to date as part of the S2 grant. One of them is called modeling, I and I modeling, the other is I and I removal, the third one is I and I analysis. And when we look at the I and I, aggressive I and I removal we are looking at a cooperation between the private sector, which is the residents, and the public sector, which is the City. There are components that could be projected and we go back to the projection that we made earlier based on our smoke testing and look at how much contribution that is coming from the private sector, which is the public.

Mr. Martinbianco: Okay. Let's talk about that because that's the thrust of what we're here for this evening. What part of the component is your expectation that we're going to ask of the public and their level of contribution to what we're trying to do, and will it vary by the area of service by each one of those individual pump stations?

Ms. El-Gamal: It will vary from one area to the other, but most of them are going to be

the same. Most of it is going to be making sure that the public cooperates with the replacing their laterals. There are laterals that are contributing clear water. When we had our staff look at the videos that were evaluated you can see clear water coming from the laterals, which means that there is I and I, there's broken components of those laterals, there's breaks in them, there is dislocated joints. And when we did the dye testing you would be surprised. We found broken cleanouts, a four-inch pipe that doesn't have a cap on it and it's in a depression in the backyard or in the front yard or even in a parking lot. And that rain is kind of coming through all the way into your sewer system. Those are huge contributors of inflow. And unfortunately, the SRF would not fund that. Anything that is on private property will not be funded by the SRF programs.

Mr. Martinbianco: So, really if that's the case then then that's a moot issue as far as what we're talking about this evening. As far as the private contributions, that's a separate issue.

Ms. El-Gamal: It's a separate issue.

Mr. Martinbianco: It needs to be addressed.

Ms. El-Gamal: Exactly. But for MDEQ's requirement the fact that we evaluated this option we need to make it clear to MDEQ that the City will need to pursue -- rather than pay about \$4 million in inline storage the City is planning on pursuing the less expensive or the more feasible option, which is trying the I and I removal. Now, if I and I removal doesn't work and we feel it was not successful then we might try to think about other options. But at this point it's not feasible at all to go after a capital improvement project for a very small service area. If you look at Woodrow service area, if you look at Cheryl Ann service area, these are really, really small service areas. If the City was to get cooperation from the public, if we can smoke test those, and I think that's the intention of the DPW, smoke test these lines, identify where the broken cleanouts are, close them, it's much more feasible than going after a huge capital improvement project to address those issues. So, that's the pump station with capacity constraints. We have force main issues. Multiple forced force mains were identified as being exceeding their service life. Now, MDEQ does not have a category before to evaluate force mains. It's been very tough to justify force main replacement or line.

Mr. Martinbianco: Can you just -- just because most of us here are not sewer experts can you tell us what a force main is, and again, for the people in the audience that don't really understand what that really is?

Ms. El-Gamal: There's two components to a collection system, a pump station and a gravity sewer. Gravity sewer, the sewer flows by gravity all the way to a destination which should be at the end, the waste treatment plant or a pump station. In some cases where we cannot get everything due to topography issues we need to basically get all the flow through gravity to a pump station and then pump them all the way to a location where they can continue gravity flow. The way they get pumped is by a force main from the pump to a pressure pipe that is typically much smaller than the gravity

sewer, four inch, six inch, eight inch or twelve, depending on how high the flow is. But those force mains are basically pressure pipes that operate based on a pump operation and push the flow upstream to a gravity location.

Mr. Martinbianco: And when they have to be replaced, as opposed to lined, because we've talked about lining, I don't know if you can line a force main, can we use PVC on those force mains?

Ms. El-Gamal: We could. We could use PVC on the force main. The question becomes the diameter of the force main because there are restrictions. Some force mains you can't line because of the fact that they're too small. The other restriction and other component that we looked at, for instance, Cheryl Ann, I think Cheryl Ann and correct me if I'm wrong, Spencer, it had like a 30-foot force main. There's no point for lining or directionally drilling. We're going to replace Cheryl Ann, so we just replace it. So, we look at multiple components from multiple viewpoints. Are we replacing this pump station? If we are, then it's better to replace the force main. There's no point if you have an open cavity already. But, for instance, Farner I think had a trenchless approach and Leith had a trenchless approach because we found the trenchless approach to be more feasible. So we look at all alternatives. Lining for Casto, Rinn and Cheryl Ann was \$248,000, while replacements of the force mains are \$300,000, almost. The replacement was 279, and that was for again Casto, Rinn and Cheryl Ann. And we looked Leith and Farner. It varied between the replacement and the trenchless being almost 600,000 to 400,000. But again, we chose the most feasible based on taking into consideration the impact. Trenchless, of course, has a minimum impact on the environment and the cost appears to be more feasible, so we went with recommending the trenchless over there. We went to recommending the lining of certain pump stations which are Casto, Rinn and Cheryl Ann because of the fact they are more appropriate and they can accommodate that. So, we looked at the constructability component. Undersized trunk lines. In the study that we had done we identified multiple trunk lines that were undersized by design or undersized by the fact that they're just -- you know, by the rain events. And we looked at modeling those under two scenarios. Number one, what if we took care of the I and I are they going to be undersized, and they're not. What if -- well, there was one stretch -- I take that back. There is one stretch that is undersized by design, meaning even if we removed the I and I they will still have capacity issues. What does the capacity issue mean? If it rains it's going to create some surcharge of the pipe to the point that the surcharge could result in flooding or sanitary sewer overflows. So, we compared in our evaluations the alternative of, okay, can we remove I and I, how much does it cost. And again, the removal of I and I is a separate component that includes the private contributions as well, like we talked about earlier that we want to show to MDEQ, or can we transfer and treat. Okay. Can we say that hey, this pipe is not accommodating, the 18-inch pipe cannot accommodate our rain, our contribution of rain into the system, let us make it 24, let us make it 28. Will it take care of our problem? It will, for instance. But now we are into a situation where it's called transport and treat, meaning the City decides to continue to have I and I contributions, not correct the I and I, and pay for transporting and treating clear water. And in order to do that you upgrade your pipes. When we

looked at those costs, \$9 million to do that, to transport and treat. But if you were successful in removing I and I we're looking at \$2.7 million. A huge difference in price, which means, again, that further emphasizes the idea of I and I removal activities and private versus public I and I removal is strongly encouraged. Now, recently MDEQ has changed its design standards for what is called a design storm. And the design storm was increased from previous standards, making one section, which is the section called M15, M16, M22 project plan, making it undersized. So, regardless whether we remove I and I or we don't, the contribution of flow, existing flow for that system, that component is considered undersized. That would only be nominated for replacement in the project plan because of its undersized capacity. So, even if we remove I and I it will still be undersized. That takes me to selected alternatives. After evaluating everything we discussed we went ahead and kind of evaluated each one and each component and identified a selected alternative. Gravity sewers Level 4 and Level 5. What is the selected alternative? It is to optimize. How do you optimize? By lining. Now, it doesn't mean that we're lining everything. There were certain locations that we need to replace. So, replace, but the majority will be lined. The next one is the pump stations. We talked about having can pump stations already in the ground. Replacing them with submersible pump stations is the selected alternative. This way your entire city will have the same type of pump stations. It will make the operation and maintenance easier. The DPW staff will be familiar with one type of pump station. And again, we have the submersible as a more feasible alternative. We have one submersible pump station which was the Leith pump station that I talked about. The Leith pump station, either we looked at, if you remember, replace it in its entirety or just replace the pump components and keep the outer structure. Replacing the pumps and reusing the existing structure seemed to be a more feasible alternative. Pump stations with capacity issues, optimize I and I removal that is the I and I we talked about as being the City's component. And the public component, that would be not part of the SRF. We are showing to MDEQ that we want to pursue I and I removal before pursuing a high capital improvement project. How much will all of this cost? I think that would be the main components that we will look at. We've tabulated all the costs, added them all together, identified each component and the selected alternative which is whether we went with principle, optimize. And we didn't go with no action taken on any of them. So, the total project cost will be around \$6.7 million. That would be the SRF project that we are asking that the City considers to go after in this project plan. And the total capital cost will be part of a loan, like I said, 20 years, 20-year loan with a 2.5 percent approximate interest rate. In order for us to evaluate how much each user would be responsible for, and this is -- just to clarify, this is just estimation. Typically a user charge system would be developed by your financial advisor, and that basically breaks down exactly who pays what and how much each person pay. But per the SRF guidelines we need to give you an idea. We need to give the public an idea of what it could cost. Currently the sewer customers are divided into based on my understanding, two components. You have sewer customers who are sewer and water and they're billed by how much water they consume. And you have sewer customers who have only sewer and they are billed on a flat rate. so, taking that into consideration, we developed the methodology to break the project cost between those. We looked at the number of sewer customers that are City customers, meaning they have water and sewer, and well customers that only have sewer. There's

about 5,600 residents under the City water customers and 908 commercials. There's about 5,300 well customers and 137 commercials. We developed a methodology based on the billing records that come from the County for the City water, and we came to about \$3.50 per month for an average user that is a residential user. And that 3.50 per month is based on 46 cents per thousand gallons consumed. So, if someone consumes less than a thousand gallons it will be less than that. So, it's based on 46 cents for a thousand gallon, and we assume a residential customer would use about 7700-gallons per month. So, if a residential customer used less, which is a big possibility, then that number goes down. But this is just an average projection. On the well customers we looked at just dividing the cost of the project among the customers. And that came very close to \$3.19 for those customers per month, too. So, it looks like we have kind of a very, you know, the same range between whether they are water customers or well water customers. The only thing that one will be a flat rate, the other will be based on consumption. And again, this is not the final number that will get assessed. A financial advisor would need to do that evaluation based on their own review of your actual accounting and account information. Now, after we develop the user cost system I'm going to make a couple of comments. When you looked at the additional considerations, when we did the project plan those considerations included evaluating environment; are we impacting the environment, and if we are how are we going to those impacts. We ended up communicating with several agencies, U.S. Fish and Wildlife, SHPO, State Historic Preservation Office. We looked at, we communicated with the Michigan Natural Features inventory, and we communicated with MDEQ staff just as well just to make sure that our impact and our evaluations are not creating or resulting in an adverse impact on the environment. Those were the components that we reviewed. Last, but not least, I would like to cover the project timeline. The project plan is in a draft format. It was available for the public to review for 30 days, just like our SRF guidelines require. If the City decides to adopt the project plan tonight what we can do is submit it by July 1st, which is the deadline for submittal of SRF project plans. Most likely in August or, August, September, beginning of October maybe we would be right on the priority list. And if we were, if our project was within the fundable range we would be expecting to start a design in 2014, construction in 2015. Again, this is a big project, so it will require a good amount of time for design. And then the complete construction would take place around September, 2017. So, it would be about a two-year project.

Mr. Martinbianco: But the complement to then that is that we're going to encumber future City Councils because this is going to be an ongoing thing. So, in our budgetary processes moving forward we're going to have to make a commitment at some point on the assumption that we're going to have to do that. And then that's going to mean that we're, A, we're going to have to put in place any additional user costs at some point. Typically that would happen at the end of construction once everything is done. We're going to have to implement those cost recovery fees to begin at that point in time. And the second thing is that we're going to do this in stages. We're not; everything's not going to happen at once. So, when you do your design work, assuming that's what we decide to move forward with, as you do your design work you're going to funnel that in stages, so we're going to concentrate on the southeast quadrant or the northwest

quadrant or the southwest quadrant.

Ms. El-Gamal: This is different than the DWRF. In the DWRF that's exactly what we did, we broke the project down into five stages. The project over there was about \$16 million.

Mr. Martinbianco: Yes.

Ms. El-Gamal: And with that it kind of made sense to break it down because you wanted small projects to take place over multiple years. Given that this project was \$6 million, and our first phase for the DWRF was 6 million, the discussion we had with the City staff is that every time you close on the project, if you put it in phases like we did in the DWRF you are kind of going through that process again. You are selling a bond. You're hiring a financial advisor. You're hiring a bond consult. And you're closing on multiple loans; you're closing on five basically under the DWRF. The discussion here was, and the determination that we got, is that if you go after this as one project by the end of the day constructed over two years that means the contractor is going to bid the project as one big project, but he will, the payment withdrawals are going to be spread over two years. And we discussed that with MDEQ, and MDEQ was receptive to that. So, that's how we kind of phase the project, but it's not phased similar to the DWRF. You're not closing on each component, you don't have a phase approach, but there is a phase withdrawal for the contractor.

Mr. Martinbianco: Okay. So, once the City committees to it, and when I say City, the folks up here, once we commit to that project we decide to go bond for it, and then that obligates the City to the completion, and then we're charged with the task then of finding the funding to pay the bond.

Ms. El-Gamal: That's correct. The funding to pay the bond is coming from the low interest loan that is being provided by the State, but the rates that are coming from your residents would cover it. And that would come from user charges. Now, that on its own will not -- again, that on its own will not take care of our entire problem that we are facing, but it will take care of the life expectancy components. We still have the other components that are the I and I components that need, also, some effort from the City. And, again, what we recommended in the studies that were provided is that the City approaches those first because they appear to be the least expensive or the most feasible alternatives and then consider capital improvement. But all of those would not fall under that SRF proposal.

Mr. Martinbianco: And the DEQ, and I'm not going to presuppose the ambition of my fellow council folks here, but if we decide it sounds pretty overhanded and we really choose not to participate, we're going to do what we can, hand-to-mouth on a budget year by budget year basis utilizing the analysis that you just provided us, what's the DEQ's posture on that? If we choose to do nothing other than what we're going to be able to do financially, given an existing fee rate that we have already in place, what's the DEQ's response going to be?

Ms. El-Gamal: Actually, when we are adopting this project we are kind of telling DEQ that we are, to the best of our ability we are planning on going after this project. Now, it doesn't mean that in history I haven't had communities that came to the time of closing or when DEQ comes to them and says we need to close on this project, you are on the priority list, and they have financial issues, it's very easy to tell MDEQ let's postpone it a year or let's postpone it another year. MDEQ has been very flexible with working with communities on that. So, if we can't close this year -- as long as we submit by July 1st, if we are not ready to close or begin construction in September of 2015 we are easily tell MDEQ to consider us for next year.

Mr. Martinbianco: That is an option available?

Ms. El-Gamal: That is an option available, and that is available for us for three years, if I understand correctly. After that they come back to you and ask you to update your project plan and go through this process again.

Mr. Martinbianco: Now, if we chose to go after -- you kind of called it a public sector contribution to the project. If we chose to do that during this next year, assuming that maybe we're not ready to do this just yet, but we may make a commitment, and I think it's a good faith gesture, if we go look at based on the consideration and all the engineering that's already taken place, if we want to go back and address those private sector issues that would look favorable for us because we're trying to do our due diligence to make sure that we can move this project forward, we're going to cover our own bases first and then go from there.

Ms. El-Gamal: That is correct. But here we are handling, we are kind of addressing two components. We're addressing the I and I component with the I and I removal and we are addressing the end of service life. The pump stations that are at end of service life and the pipes that are in imminent danger do have a contribution to addressing your I and I, but they are not contingent -- you know, if you address the I and I you're not improving anything on those. So, they still require some attention. When that attention comes is totally up to the City. And with this, if there's any question I'm more than happy to answer. I think that takes me to the last slide. Thank you.

Mr. Martinbianco: Dima, thank you very much. Before I open it up for audience participation, Ms. Moss, did you have -

Ms. Moss: Sir, I know that you kind of want to kind of realize a savings here. On the deep digs that we've done we found five of them where the leads were falling in or the pipes were crushed and at residents', you know, areas. We paid a minimum of 20,000 a piece.

That's 100,000 for that. Last weekend I had two calls out to the pump stations, and that was four hours, two employees. So, you're going to realize these -- these are savings that you will realize as we move ahead that you will not have. And we are -- when the weather broke and finally getting nice weather we're working diligently on the resident side of the I and I.

Ms. El-Gamal: If I can make one comment, if any of the public that is present right now is here for the SRF or is interested in making comments we have a sign-in sheet that we would like them to put their information and contact on. I have it up there and it's specifically for the SRF. So, it would be different than the one for the City Council meeting. If anyone in the public is here for the SRF it's on the table. Thank you so much.

Mr. Wells: Mr. President thru you to Ms. Moss.

Mr. Wells: I know you asked if there's any other questions. As always, my question is what's the cost savings to the City over, what's the cost savings for the City over the length of this project?

MS. El-Gamal: I didn't come up with an exact number of costs, but it's been kind of a rule of thumb for us to look at the SRF project as being almost a 25 percent grant because of the low interest rate. The cost saving of the City, I will not be able to put them in numbers because you are looking at five that are at the end of their years. So, if they collapse they need to be corrected. So, whether you are proactive or reactive, that is the difference. The cost of being reactive is always higher than the proactive. And when we started with evaluating our alternative the no action alternative, there wasn't a cost associated with that, but it was ruled out as being unsafe. It does not provide the reliability; like, for instance, pump stations failing, reliable to customers, pumping. Again, reactiveness versus proactiveness. Those are all components that are beyond an actual dollar amount.

Mr. Wells: No, I understand that. My question is this. We've got pipes that are crushed right now. We've got pipes that are broken right now. You found that.

Ms. El-Gamal: Uh-huh.

Mr. Wells: There are costs associated with that.

Ms. El-Gamal: Yes.

Mr. Wells: So, if we leave them alone what continues to happen in that area?

Ms. El-Gamal: They continue to deteriorate.

Mr. Wells: Okay.

Ms. El-Gamel: They continue to -- they will be deteriorating on a hit and miss type process, and that would mean your DPW is reacting to this type of emergencies.

Mr. Wells: Similar to what happened on Center Road here?

Ms. Moss: Yes, very similar. We also are working with a letter from the County, this is the third one since I've been here, that they'll start charging us for our inflow and infiltration because we have an overabundance.

Mr. Wells: How will this correct the inflow situation?

Ms. El-Gamal: Let's say the pipes that are 4 and 5, let's state that for an example, when we line them there will be a contribution to reduction of the infiltration and inflow. They will play a role. But they on their own will not correct the problem we have. We looked at areas that are contributing inflow and infiltration within the City and we looked at the sources. And above and beyond the correction that we're doing in the system you are looking at the private contribution, you are looking at people looking in their backyards and closing their cleanouts, replacing a cleanout that is broken, or replacing a lateral that is very old and that is contributing a lot of clear water into your system, looking at their sump pumps and disconnecting their sump pump from your sanitary sewer system because it's considered an illicit connection and putting the sump pump into either a trench drain or outside trenching to their grass area. There is a major component. When we looked at the evaluation of the cost estimate we looked at one option being \$9 million for the City to do something to address the infiltration and inflow versus a million dollars for an aggressive I and I program evaluation. So, there is a big contribution that could come from the public on their own properties that would result in elimination of I and I to your system. The components that we're addressing right now they work, but they will not take care of the entire problem. You need multiple agencies to cooperate. Even the County, you know, we would need to cooperate with the County on certain areas within their system to see where certain inflow is coming from. And I mentioned an area MO8. That is an area that we would like some cooperation with the County to smoke test. And there is a source of inflow that we could not find when we did the smoke testing. And so, it's a combination of multiple agencies, but the private contribution is huge. And if the public is willing it will be very helpful for you to reduce the majority of the I and I through the public contribution.

Mr. Wells: Okay. Now, just for the -- I refer to Liz. You say the County's charging us an exorbitant amount for our inflow?

Ms. Moss: They're not charging us yet. They're just threatening. They've been threatening us with this. They know that we did the S2 grant, that we're looking, that CB truck is down almost every day. So, so far we've been able to appease them. How long that will last, I don't know. They still send letters regularly.

Mr. Wells: That's the kind of information that I want as a councilperson so we can go back to the residents and tell them why their water bill's going to go up 3 and-a-half percent. And that's just for this project. Right? This doesn't include any other increases that are coming through the County. Right?

Ms. Ellenburg: That's not 3 and-a-half percent. It's \$3.50.

Ms. El-Gamal: Yeah. It's \$3.50 per month, and estimated.

Mr. Wells: About \$7 a quarter?

Ms. El-Gamal: It's just an estimated. It will be further defined by an actual user charge

that is done by your financial advisor.

Ms. Moss: We do have Bendzinski doing a user charges for the sewer as well as for the water.

Mr. Wells: Could you put some -- what you just said, could you put that on paper and make sure we -

Ms. El-Gamal: It is in the -- let's go back to the slide.

Mr. Wells: Oh, I see it now.

Mr. Martinbianco: That's the estimate.

Ms. El-Gamal: It's the user charge. And based on MDEQ we are asked to look at an average residential user. And the numbers that we are having are based on a certain assumption that the residential user uses about 7700 gallons per month. And a residential user that uses less will pay less.

Mr. Wells: Well, I'm not talking about the cost now. I'm talking about why we're doing this, what it's correcting and where we can save money in the future. I'm not talking about the cost.

Ms. El-Gamal: That's all in this document. And if you would like to go through the alternative evaluation, we just looked at the need for the system, why we are doing it, plus the evaluation of each alternative, what did we look at and what is the cost of each alternative.

Mr. Wells: We didn't all get one of those documents, did we?

Ms. El-Gamal: That was available for review for 30 days.

Mrs. Karsney: It was available in the clerk's office.

Mr. Wells: Okay. All right. Thank you.

Mr. Martinbianco: Okay. Anything else from the council before we open this to the audience?

Mr. O'Keefe: Mr. President?

Mr. Martinbianco: Mr. O'Keefe.

Mr. O'Keefe: I think this council for the past year has really put on their planning hats. We looked at infrastructure. We've really dealt with water I think in a great fashion. I think we've got a plan there. As a matter of fact, after this meeting we'll be talking about roads. And again, now we're here at sewer. And again, just out of the sheer age of this system it has to be fixed or we're going to have a lot of problems and it's going to

cost a lot of money. Again, I think every time you do something it has to be well thought out, and there has to be a plan. I think it has been well thought out and I think there's definitely a plan. I've liked this since day one since it was proposed and I see the value to today, so I'll be supporting it. That's all I have.

Mr. Martinbianco: Thank you, Mr. O'Keefe. Anything else from the council before we open it up for our audience? Thank you. At this point in time we're going to open this public hearing up for those who it is intended for the audience. Anybody that has any questions, any comments about the City's participation on the SRF, including inclusion in the SRF project, at this point in time can come to the podium, state your name and address for the record. And please limit your comments to three minutes; avoid any attacks on individuals or institutions in the City. And please sign the form if you haven't already done so and choose to participate in this particular topic and this one only. Please be sure to sign and validate the form. Is there anyone out there wishing to address the council on this line? Seeing none, we'll close the public hearing and public comment for the time period. And with that we will close, at this point in time will close this public hearing at 7:10 p.m. Thank you.

Deposition concluded at 7:10 PM.

D. PUBLIC COMMENT

None

Meeting was adjourned at 7:10 PM.