



MEMO

TO: Oak Pointe Municipal Sanitary Sewer Customers

FROM: Genoa Township Utility Department

DATE: February 21, 2014

RE: 2014 1st Quarterly Update – Oak Pointe Wastewater Treatment Plant Consolidation Project

The Genoa Township Utility Department is pleased to provide the 1st quarterly update for 2014 on the consolidation of the Oak Pointe Wastewater Treatment Plant (WWTP) with the Genoa Oceola WWTP. A detailed review of the history on the need for this project can be found in the related documents area of the Genoa Township Utility Department website (<http://genoa.org/departments/utilities>).

Our 4th Quarterly Update in November stated that the design of this project was commencing following finalization of the Legislative Changes to the State of Michigan's Sodium and Chloride Rules. House Bill 4768 was signed into law on November 26, 2013 as Public Act 180 of 2013. As stated in our previous correspondence, this revised legislation did raise the limits at the point of groundwater discharge, but the limits were only slightly modified for the groundwater concentrations downstream of our facility. Based on the results of the 2013 Oak Pointe groundwater sampling event, the Oak Pointe Facility would remain out of compliance even with 100% participation with Potassium Chloride Salt, and therefore design of the Oak Pointe to Genoa-Oceola connection remains the most feasible solution.

Design

Since our last correspondence in November, we have completed over 70% of the design of the project. For the three phases of the project, below is listed the current design recommendation:

1. Force Main Installation
 - a. 25,000 linear feet of force main will be installed to connect the Oak Pointe WWTP to the Genoa-Oceola WWTP. This will occur from a route along Chilson Road. We have finalized the size of the force main at 10-inch to allow for a wide range of pumping rates. Along the route, we have performed surveys, completed soil borings, finalized the pipe material, and completed identifying the number of valves, air release structures, and other appurtenances associated with the force main.

2. Genoa-Oceola WWTP Improvements
 - a. To provide capacity in the Genoa-Oceola WWTP for Oak Pointe, sludge processing and oxidation ditch improvements must be completed. We have finalized these improvements, identified all components, selected all equipment, and completed all sizing. Remaining tasks include completion of the plans and specifications for this portion of the project.
3. Oak Pointe WWTP Conversion to Pumping Station
 - a. To convert the existing WWTP to a pump station, the existing equipment has to be removed and the current reactor cells converted to equalization holding chambers. As part of this design project, we have selected the necessary pumps to transport the wastewater to Genoa-Oceola, identified the piping layout, finalized the odor control and tank covers, and selected the mixing technology for the tanks. Remaining tasks include completion of the plans and specifications.

Anticipated Design & Construction Schedule

At this point in our project development, we anticipate the following schedule going forward:

1. March 10, 2014 - 90% Complete Design Plans for Peer Review
 - a. We have historically identified that having a second engineering firm review the plans and specifications for a large scale project saves significant time and money during construction. These independent reviews identify potential omissions and discrepancies that can result in increased contractor charges during construction.
 - b. In addition, the plans will be reviews by Genoa Engineering and Operations Staff for completeness and operational effectiveness.
2. April 2014 – Final Plans and Specifications Complete for Permitting
 - a. We anticipate that following peer review, final plans will be available for permitting through the State of Michigan, Building Department, Road Commission, MDOT, and other required agencies.
3. May 2014 – Bidding and Receipt of Bids
 - a. We anticipate that we will receive bids for the project in May of 2014. We will have two separate contractors for the job. One will be an underground contractor responsible for the installation of the force main from the Oak Pointe WWTP to the Genoa Oceola WWTP. A second contractor will be hired to perform the work at the WWTPs. The force main and work at the Genoa-Oceola WWTP must be completed first and then temporary pumping can be set up while the final conversion work at Oak Pointe is complete.
4. June and July 2014 – Bond Sale and Construction Commencement
 - a. We plan, following receipt of bids, to sell bonds in June and begin construction in July. We are hopeful the force main work can be complete in November of 2014 to allow residents to no longer use Potassium Chloride.
 - b.

Financing

Our finance team recommends that the debt repayment method be on the quarterly sewer bill. Furthermore, this can be accomplished with a mixture of a flat rate and metered portion as requested by numerous citizens. Our current cost estimates based on 70% of the design of the project continue to support the originally publicized numbers of \$300/year/home.

Customer Type	Quarterly Flat Charge	Excess Flow Charge*	Estimate of Annual Cost
Metered	\$58 - \$67	\$1.55 - \$1.70	\$270 - \$310
Flat Rate (No Meter)	\$68 - \$78	N/A	\$272 - \$312

*Rate per 1,000 gallons for use in excess of 10,000 gallons per quarter

It should be noted that the final debt charge will depend on final construction bids received for this project, total amount bonded, and the interest rate we obtain on the bonds. At this time we anticipate implementing the debt charge on the sewer bills in November of 2014, which is when the force main will be completed that will allow residents to suspend utilizing Potassium Chloride.

Next Update

Look for the next informational memo in May of 2014 to provide an update on the design and financing for this project. At this time we will hope to have bids which will allow us to prepare the final financing and rate determinations. In the meantime, feel free to email us at opcomment@genoa.org with any questions or concerns.