



MEMO

TO: Oak Pointe Municipal Sanitary Sewer Customers

FROM: Genoa Township Utility Department

DATE: November 22, 2013

RE: 4th Quarterly Update – Oak Pointe Wastewater Treatment Plant Consolidation Project

The Genoa Township Utility Department is pleased to provide the 4th quarterly update 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 3rd Quarterly Update in August stated that the design of this project was placed on hold while pending legislation was finalized at the State level. In this update, we will provide: 1) a summary of the revised legislation; 2) how the revised limits do not change the recommendation to consolidate Oak Pointe with the Genoa Oceola Wastewater Treatment Plant; and, 3) an updated schedule for this project.

Legislative Observation

Representative Hugh Crawford introduced House Bill (HB) 4768 on May 23, 2013, which proposed that the Michigan Department of Environmental Quality (MDEQ) shall not enforce a sodium limit in groundwater discharge plants. On June 12, 2013, the Michigan House referred this Bill to the Committee on Natural Resources, Environment, and Great Lakes. Following this referral, the MDEQ formed a Sodium Advisory Council. The Sodium Advisory Council met multiple times in August and September of 2013 and recommended modifications to House Bill 4768. In summary, the modifications to House Bill 4768 state that the MDEQ will continue to enforce a sodium limit in groundwater discharge plants, but the limit was raised from the existing regulations. Although higher limits are now allowed at the point of discharge, the Bill includes provisions for lower limits in groundwater downstream of the discharge facility.

House Bill 4768 has passed both the House and Senate. For a full copy of the Bill please see:

<http://www.legislature.mi.gov/documents/2013-2014/billenrolled/House/pdf/2013-HNB-4768.pdf>

Impact of Revised Legislation on the Existing Oak Pointe Wastewater Treatment Plant

The existing Oak Pointe plant discharges to groundwater, and the treated wastewater from Oak Pointe ultimately ends up in an aquifer that is a drinking water source for private residential wells. The Oak Pointe Wastewater plant has contaminated the local groundwater with sodium and chloride, and as a result the Township must track the sodium and chloride plume on an annual basis. Currently the annual program includes 17 monitoring wells and 44 private residential wells.

As stated above, the 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 a facility. Based on the results of the 2013 Oak Pointe groundwater sampling event, this site would still have 25 sampling points (either monitoring wells or private residential wells) that exceed the revised limits in groundwater.

Recommendation – Continue with Consolidation with the Genoa Oceola WWTP

As a result of this revised legislation, Genoa Township reevaluated all options to correct the sodium and chloride problem as well as the aged plant facility. We reevaluated the cost and benefits of multiple options, including local surface water discharge, upgrade of the existing groundwater discharge plant, continuation of the potassium chloride program, and the Genoa-Oceola consolidation option. As a result, based on cost and practicality, Genoa Township is pursuing the previous recommendation to consolidate the Oak Pointe WWTP with the Genoa Oceola WWTP. This project provides the following benefits to the Oak Pointe wastewater system:

1. Removes the source of sodium and chloride from the local groundwater
2. Reduces Oak Pointe's liability with downstream drinking water with potential future regulations on other parameters
3. Removes the antiquated treatment technology at the existing Oak Pointe WWTP
4. Increased treatment capacity
5. Cost effective project

Anticipated Design & Construction Schedule

Earlier this month, we started design of the consolidation project, which in summary includes:

1. Conversion of the existing Oak Pointe Wastewater Treatment Plant (WWTP) to a pumping station and equalization station.

2. Installation of force main from the Oak Pointe WWTP to the Genoa Oceola WWTP, located about 5 miles from one another.
3. Upgrades to the Biosolids management system at the Genoa Oceola WWTP to handle the increased flow from the Oak Pointe WWTP.

A summary of projected milestones include:

Design: November 2013 – May 2014

Construction: August 2014 – June 2015

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 estimates of the quarterly debt charge are summarized below, and 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 February of 2015, which is when the forcemain will be completed that will allow residents to suspend utilizing Potassium Chloride.

Next Update

Look for the next informational memo in the Spring of 2014 to provide an update on the design and financing for this project. In the meantime, feel free to email us at opcomment@genoa.org with any questions or concerns.