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**TO:** Oak Pointe Municipal Sanitary Sewer Customers  
**FROM:** Genoa Township Utility Department  
**DATE:** August 23, 2013  
**RE:** 3rd Quarterly Update – Oak Pointe Wastewater Treatment Plant Consolidation Project

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The Genoa Township Utility Department is pleased to provide the 3<sup>rd</sup> 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>).

Since our last update in May, staff has focused efforts on Design and Financing. More recently, we have become aware of legislative action in Lansing that has the potential to significantly impact this project. In this update, we will provide a chronological summary of our project activities in the past 3 months.

## **Design**

In June and July, we worked with our consulting engineer to complete the Basis of Design for the project. During this process, we identified key components for the project, set the final design parameters, finalized the proposed improvements, and completed conceptual cost estimates. The Basis of Design document can be used in the future to guide the full design of the project

## **Financing**

Utilizing the results of the Basis of Design, the current project cost estimate has been refined to \$5,200,000. With this information, we met with a Financial Team consisting of our Bond Counsel, Municipal Accountant, and Certified Public Financial Advisory. Our financing 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 continue to support the originally publicized numbers of \$300/year/home. However, due to the delay described in more detail below, the Township is not planning on assessing any debt repayment fees in calendar year 2014.

## Legislative Observation

In 2012, prior to initiating this project and beginning our public education and Citizen Advisory Groups, we spent a significant amount of time discussing the regulation of sodium in groundwater with our regulators at the Michigan Department of Environmental Quality (MDEQ). All information provided by the MDEQ was that sodium will continue to be regulated in groundwater; in fact they were anticipating that permitted discharge concentrations of sodium would be lowered. The MDEQ also indicated that surface water would not be regulated for sodium.

Following receipt of this information, we felt confident that the surface water option was the only long term viable solution to address the existing plant deficiencies and remedy the numerous sodium violations at the Oak Pointe Wastewater Treatment Plant. As a result, we were very surprised when Representative Hugh Crawford introduced House Bill (HB) 4768 on May 23, 2013. The current version of this Bill would amend Public Act 451 of 1994 to state: "*Notwithstanding any other provision in this Act or the Rules Promulgated under this Act, the Department shall not establish or enforce a limitation for the amount or concentration of sodium in ground water or an effluent limitation for the amount or concentration of sodium in a ground water discharge.*"

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 (SAC), of which the Genoa Charter Township Utility Director was named a member. The first meeting of the SAC was recently held on August 15, 2013, during which it was identified that the goal of this Council is to determine if the State will continue to regulate sodium in groundwater discharges. Subsequent meetings are planned for August 29, September 12, and September 27. By September 27<sup>th</sup>, the council is tasked with making a final recommendation. We do not know the manner and extent to which this recommendation will impact the proposed legislation.

Understandably, this pending legislation has a huge impact on the urgency of the project as currently proposed (as consolidation with the Genoa Oceola Wastewater Treatment Plant). As a result, we have decided to hold off on performing any additional design duties until the results of this pending legislation are finalized at the State level.

As we stated in our 1<sup>st</sup> Quarterly Update in February, the sodium discharge was the primary reason to consolidate wastewater systems. However, if the sodium regulation goes away, we will still have to update the Oak Pointe Wastewater Plant to address the following deficiencies:

- Antiquated Treatment Process
- Insufficient Surface Area for Groundwater Infiltration
- Energy intensive and inefficient oxygen delivery system to eliminate the periodic total inorganic nitrogen violations
- Labor Intensive Operation

We may find that addressing the above deficiencies can be done for a lower cost on-site than consolidating with the Genoa Oceola WWTP, if the sodium regulations are eliminated.

Once the potential changes from the Michigan Legislature are finalized and we know the regulations we may or may not face, we will discuss the impact to Oak Pointe with the Citizen's Advisory Council.

Looking ahead to the December update, we will summarize the status of the proposed legislative changes and the impact on this project and the residents of Oak Pointe. In the meantime, feel free to email us at [opcomment@genoa.org](mailto:opcomment@genoa.org) with any questions or concerns.