

SOUTH COUNTY SEWER AND WATER AUTHORITY

JOINT VILLAGE COUNCIL AND PLANNING COMMISSION MEETING

Presented by:

Alan C. Smaka, P.E.

Recent History

- **2015 – Preliminary Feasibility Study and Petitions Circulated**
 - US-131 North of Village – 51% Passing by Land Area (2019)
 - Sugarloaf Lake Area – 59% Passing by Land Area (2015)
 - Village of Schoolcraft – 10% Passing by Land Area (2015)
- **2016 – Village Completes Visioning/Planning Process**
- **2017/2018 – Sewer Project Rescoped to More Align with Petition Feedback and Village Visioning Plan**
- **2019 – SCSWA Looks at Stakeholder Engagement and Project Planning**

Drivers for Project

Village Planning Document

- Sanitary Sewer is a “Top of the List” Item
- Yellow Items Represent: “Advantages...to be Preserved and Enhanced”
- Blue Items Represent: “Opportunities...that are either detractors or missing in the community”

(Village Master Plan, 2016, p. 6)

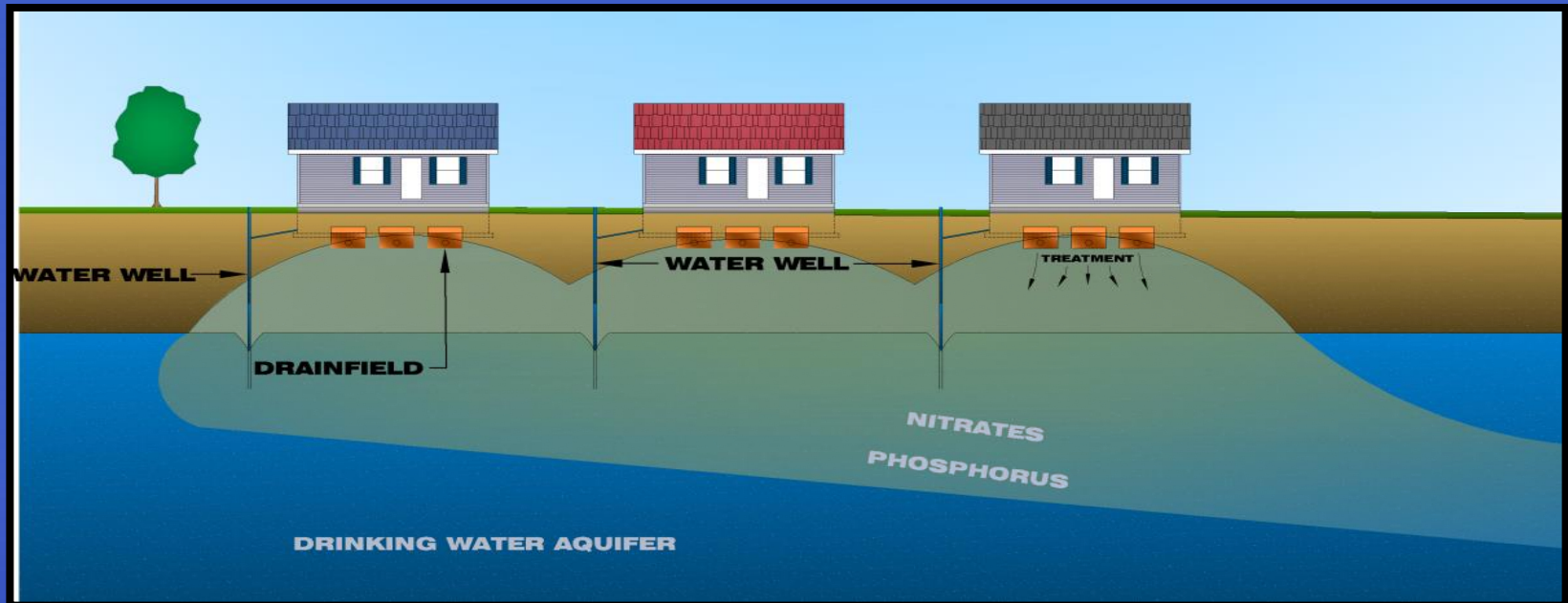
ADVANTAGES & OPPORTUNITIES EXERCISE



Drivers for Project

Housing Density

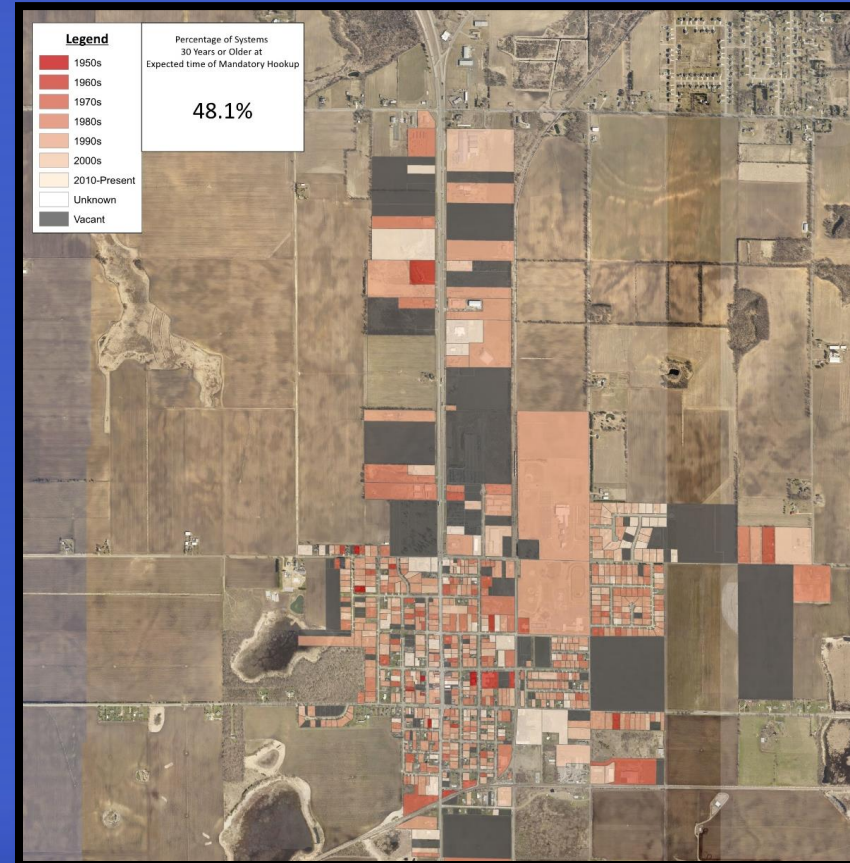
- Septic Systems are Best in Low Density Areas
- High Density of Village Drain Fields are One of The Primary Reason the Village Needs a Sewer System



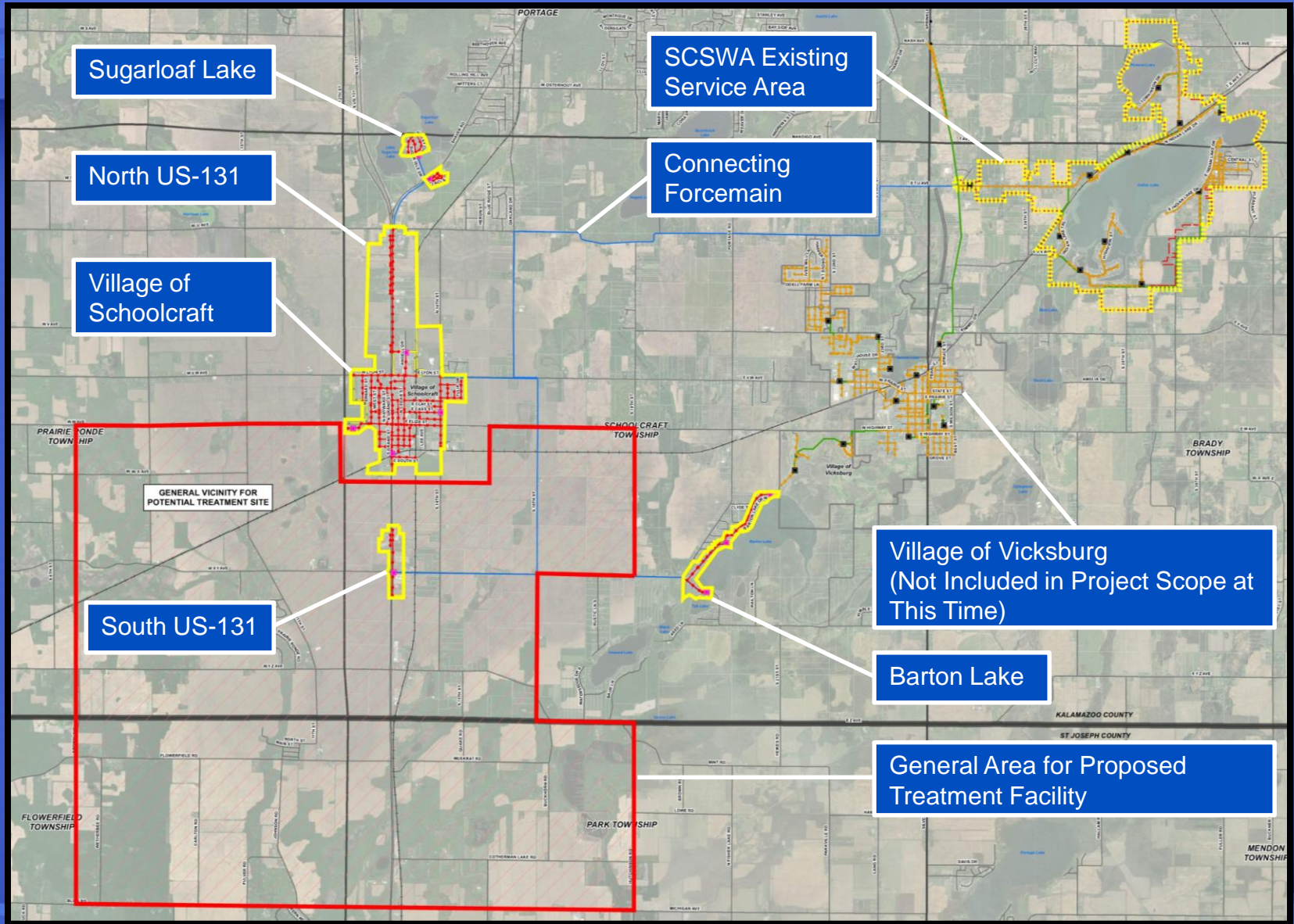
Drivers for Project

Age of Existing Onsite Septic Systems

- Typical System Last 20-30 Years
= Over 40 Years, on Borrowed Time
- By 2028 48% of the Existing Village Septic Systems Will be 30+ Years Old
- Replacement Costs Vary from \$6,000 to \$20,000 Depending on Available Land



Proposed Project Service Areas



Strategic Project Alternative

- Independent treatment (Lagoons or Treatment Plant) allows the Village and it's neighbors to control their own destiny and manage system legacy costs.
- USDA-RD Funding is Proposed for the Project
 - Lowest Interest Rate (3.375% for Intermediate Income Areas)
 - Longest Bond Term (40 Years)
- Once USDA-RD Funds are Obligated the Project Could be Reduced but not Expanded
- Submit the Greatest Likely Service Area and Reduce as Needed
- The **USDA-RD program also contains a grant element** for eligible projects. If, after submittal of a funding application, grants are received, they will be applied to “**common to all**” costs.

Project Costs

- Total System Costs = \$15M to \$30M
- Rate and Assessment Structure Includes:
 - Monthly Charge (\$50/Month/REU)
 - Benefit Assessment (\$8,500- \$10,000/REU)
 - Front Foot Assessment (\pm \$10/FT)
- Monthly Charge Includes Funding Operation and Maintenance Costs, as well as Replacement Reserve Budgets for Future System Repairs
- Calculations Run Assuming NO Grant or Growth – Conservative Approach
- Not All Roads will be Repaved - Only Those with New Sewer Underneath

Estimated Property Owner Costs Connection at Project Completion (2023)

USDA Rural Development 100% Loan/0% Grant 40 Years @ 3.375% Assessments @ 4.375%	Cash Plan		or	Installment Plan	
	Construction Cost Paid Up Front			Construction Cost Paid over 40 Years	
	Capital Cost	Annual Cost		Capital Cost	Annual Cost
Monthly Rate (\$50.00/month/REU)		\$600			\$600
Front Foot Assessment (\$10.00/ft – Assumed 100 ft)	\$1,000				\$53
Benefit Assessment (\$10,000± / REU)	\$10,000±				\$534±
Connection to System (75')	\$2,000		\$2,000		
Total Up Front Cost	\$13,000±		\$2,000		
Total Annual Cost		\$600			\$1,187±

***The above table represents one of many potential rate/assessment structures, the different elements of which are all inter-related. Final structure to be determined after the need for project is confirmed.**

Estimated Property Owner Costs

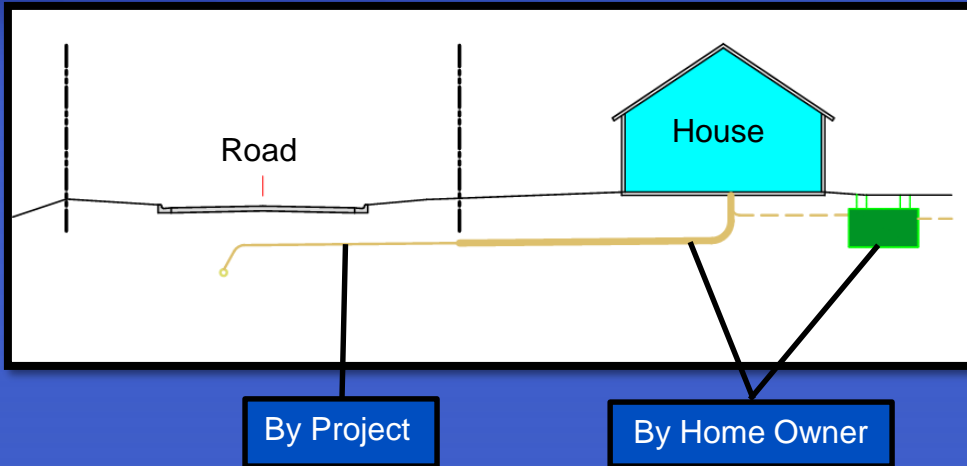
Delayed Connection (2023 up to 2028)

USDA Rural Development 100% Loan/0% Grant 40 Years @ 3.375% Assessments @ 4.375%	Cash Plan		or		Installment Plan	
	Construction Cost Paid Up Front		Construction Cost Paid over 40 Years			
	Capital Cost	Annual Cost	Capital Cost			Annual Cost
Monthly Rate (\$50.00/month/REU)						
Front Foot Assessment (\$10.00/ft – Assumed 100 ft)	\$1,000					\$53
Benefit Assessment (\$10,000± / REU)	\$10,000±					\$534±
Connection to System (75')						
Total Up Front Cost	\$11,000±			\$0		
Total Annual Cost		\$0				\$587±

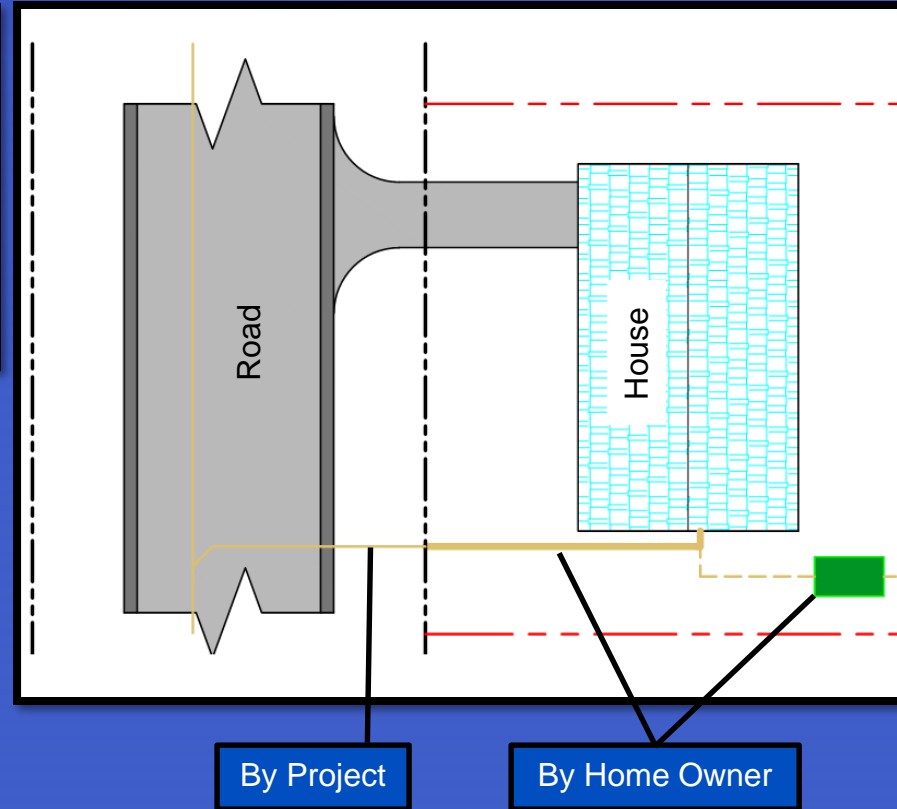
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Septic Abandonment and Sewer Service Connections

Side View of Home



Top Down View of Home



- Connection and Abandonment Costs
 - \$2,000 to \$5,000 Typical Cost
 - Up to \$10,000 for Rare Situations (Pumps)
 - Most Basements Served Without Pumps
 - Contact the Village for Individual Assistance with House Connections Questions

Case Study Examples

- Vacant Parcel:
 - Capital Cost = \$1,000 (\$5 per month)
 - Annual Cost = \$0
 - Approximate Monthly Cost: **\$5**
- Typical Residential Home **Delayed Connection**:
 - Capital Cost = \$11,000 (\$50 per month)
 - Annual Cost = \$0
 - Approximate Monthly Cost: **\$50**
 - Additional \$2,000 Cost at Time of Connection for Septic Abandonment and Sewer Service + Beginning Paying Monthly fee
- Typical Residential Home **Connection at Project Completion**:
 - Capital Cost = \$13,000 (\$50 per month with \$2,000 up front)
 - Annual Cost = \$600 (\$50 per month)
 - Approximate Monthly Cost: **\$100 with \$2,000 up front**

Low Income Assistance may be Available

- USDA
 - 504 Loan and Grant Program
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 - USDA Paw Paw Office: 269-657-7055 Ext. 4
- State of Michigan
 - Deferment of Special Assessment on Principal Residence
 - Michigan Department of Treasury

Next Steps

- Public Presentation at Joint Meeting
- Further Public Engagement, Q&A Ongoing
 - What Does the Village need to know in order to proceed?
- Hold Public Hearing and Adopt Resolution – Q3 of 2019 (Key Date)
- Review and Appeal Process (30-45 days)
- USDA-RD Funding Application (60-90 days later)
- Project Design and Permitting – 18-24 Months
- Grant Applications in Parallel
- Start Construction – 2022 or later

Thank You!