

MARQUETTE AREA WASTEWATER TREATMENT
FACILITY ADVISORY BOARD MINUTES

The May 7, 1980 regular meeting of the Marquette Area Wastewater Treatment Facility Advisory Board was called to order by Chairperson Swaine.

Members Present: Howard Swaine, Chairperson
Ivan Fende and Robert Taylor, Chocolay Township
David Timmons, Marquette Township
David Svanda, Secretary

Members Absent: Neil Carlson, City of Marquette

Others in attendance were: Kathy Foulks, Accountant, and Consultants
Jack Craigmile and Harold Hays.

The minutes of the April 9, 1980 meeting were considered. It was moved by Mr. Timmons, supported by Mr. Fende and carried unanimously that the minutes be approved as presented.

Bills from Ayres, Lewis, Norris & May, Inc. for \$10,794.96; Closner Construction Co. for \$43,673.50, and Paul A. Lawrence Co. for \$147,280.33 were presented to be authorized for payment. It was moved by Mr. Fende, supported by Mr. Svanda and carried unanimously to authorize payment.

Jack Craigmile reviewed the April 2, 1980 letter from the Water Quality Division of the DNR concerning off-site river bottom modification with the Board. It was moved by Mr. Fende, supported by Mr. Svanda, that Mr. Craigmile be authorized to schedule a meeting between the EPA, DNR, and Board members to discuss the funding for the solution of the outflow problem. If possible, the meeting is to be scheduled in Marquette. The motion passed unanimously.

The April 15, 1980 letter from Ernst & Whinney clarifying their fee for accounting services was discussed. It was moved by Mr. Timmons that the fee be accepted as presented. The motion died for lack of a second. No further action was taken on the item.

An error in the instructions given to the Board of Light & Power regarding the Marquette Township billing rate was discussed. City administrators indicated that the error would be corrected, so no Board action was taken.

The Board reviewed a draft of a letter to Edwin Horn of the EPA describing the proposed resolution of the conflict over fixed and operating and maintenance costs. Both the resolution and the letter were acceptable, so it was moved by Mr. Svanda, supported by Mr. Fende and carried unanimously that the letter be forwarded from the Board. It was also agreed that all members of the Board would have their respective attorneys review the existing service agreement with respect to content and amendment process.

The source of funds and method of payment for the truck chassis for the Facility's new Vactor/Rodder was considered. Consensus determined that

the billing would be processed in the normal manner.

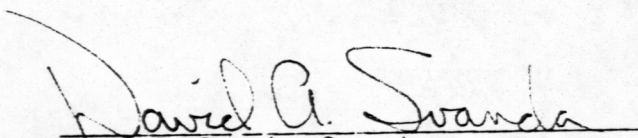
Change Order #10, involving five items and a cost increase of \$7,098 was presented by Jack Craigmile. It was pointed out that even with the proposed changes, the project was still under the initial contractual amount. Mr. Fende moved, Mr. Timmons supported, and the Board unanimously approved Change Order #10.

The budget for FY 1980-81 was briefly discussed. It was noted that the lack of historical experience made budgeting for the Facility very difficult. Consensus decided that effective July 1, 1980, administrative costs associated with the plant would be charged on an actual rather than prorated basis.

Jack Craigmile reported on the affect of increased petroleum costs on the paving subcontractor for the project. It was moved by Mr. Svanda, supported by Mr. Timmons and carried unanimously, that the report be filed, but that no relief be granted to the subcontractor from contractual provisions.

Under new business, Jack Craigmile presented a request from the Paul A. Lawrence Company to reduce the amount retained against their contract, to two percent effective May 15, 1980. With Mr. Timmons moving and Mr. Fende supporting, the Board unanimously approved the reduction.

There being no additional business, the meeting was adjourned by 5:15 P.M.


David A. Svanda, Secretary
Wastewater Treatment Advisory Board

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Marquette Wastewater Treatment Advisory Board was held on April 9, 1980 in the City Commission Chambers.

Members Present:

Howard Swaine, Chairman
David Timmons, Marquette Township
Robert Taylor, Chocolay Township
Thomas McNabb, Secretary

Members Absent:

Neil Carlson

The minutes of the special meeting of February 27, 1980 and the regular meeting of March 12, 1980 were discussed by the board members. It was moved by Mr. McNabb and supported by Mr. Swaine that the minutes of the two meetings be approved. Voting in favor of the approval was Chairman Swaine, Mr. Timmons and Mr. McNabb. Voting no on the approval of the minutes was Mr. Taylor. Chairman Swaine declared the minutes of the two meetings approved.

A discussion was held by the board members concerning the hourly rate to be charged by the consulting firm of Ernst & Whinney if they are required to work beyond their 200 hour limit. The Chairman instructed the Secretary to write to the accounting firm and to clarify this point with Ernst & Whinney.

The following bills were presented for payment:

Paul A. Laurence Company	\$104,448.45
Ayres, Lewis, Norris & May, Inc.	14,189.13

It was moved by Mr. Taylor, supported by Mr. Timmons and carried that the above listed bills be paid.

A decal for the Wastewater Plant's mobile equipment was presented to the board members. It was moved by Mr. Timmons, supported by Mr. Taylor and carried, that the proposed decal be approved.

Board members discussed the trip to EPA in Chicago. The secretary reported that the consulting engineers are assembling material on the information requested by EPA and that he had been in contact with Mr. Rydquist of the State Department of Natural Resources concerning the manning levels at the plant.

The board members were presented with a tentative budget for the fiscal year beginning July 1, 1980. Following a discussion of the budget, it was moved by Mr. Timmons, supported by Mr. Taylor

and carried that the next regular meeting of the board be advanced one week to Wednesday, May 7, 1980, at 2:30 PM.

Mr. Timmons reported that the Bancroft Dairy is now out of business. A discussion followed concerning the engineering study that was being conducted by Marquette Township to determine the strength of the wastewater being processed by the plant from Marquette Township. It was moved by Mr. Timmons, supported by Chairman Swaine and carried that the data compiled by the engineers for the three days of sampling at the Township and at the plant be used to compile the information in lieu of the five days that was originally agreed upon.

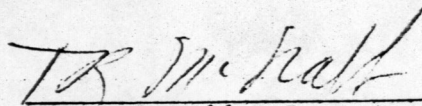
Mr. Timmons then addressed the board concerning the wastewater charges to Marquette Township for the period beginning in November of 1979. The new wastewater meter serving Marquette Township has not been recording accurately since that date. It was moved by Mr. McNabb, supported by Mr. Timmons and carried that effective November, 1979, that Marquette Township be billed at a rate of \$3,600 per month until such time as the Marquette Township wastewater meter is reading accurately, at which point the wastewater flow will be recalculated and adjustments made retroactive to November, 1979.

The Wastewater Board's consulting engineer, Mr. Jack Craigmile, addressed the board concerning the increased patroleum costs to the sub-contractor who is required to pave the parking lot and driveway at the plant site. The engineer was instructed to determine the added cost to the project and get the name of the sub-contractor and report back to the board at its next regular meeting.

The engineer also stated that a request has been presented to him by Closner Construction Co. to reduce the retention on the Closner contract to \$6,000. The engineer suggested that the retention be reduced to \$10,000. He was requested to submit this request through the normal billing procedure.

The board members were also informed by the engineer that an amendment to their contract is required for the additional testing services that were necessary at the plant site. He was instructed to present the proposed amendment to the board at their next regular meeting.

There being no further business, it was moved by Mr. Timmons, supported by Mr. McNabb, and carried that the meeting be adjourned.


T. R. McNabb, Secretary
Marquette Wastewater Treatment
Facility Advisory Board

TRM:ml

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Marquette Wastewater Treatment Advisory Board was held on March 12, 1980 in the City Commission Chambers.

Members Present:

Howard Swaine, Chairman
Ivan Fende, Chocolay Township
David Timmons, Marquette Township
Thomas McNabb, Secretary

Members Absent:

Neil Carlson

The minutes of the regular meeting of February 13, 1980 were presented for approval. It was moved by Mr. Timmons and supported by Mr. Fende that the minutes be approved with the following correction. On page two, second paragraph, add the following wording at the end of the last sentence "and the reconstruction of prior years' accounts."

The minutes of the special meeting of February 27, 1980 were tabled until the next regular meeting of the Board.

The following bills payable were presented for payment:

Paul A. Laurence Co.	\$178,716.26
Closner Construction Co., Inc.	2,280.00
Ayres, Lewis, Norris & May, Inc.	16,549.09

It was moved by Mr. McNabb, supported by Mr. Timmons and carried that the above listed bills be approved.

Change Order Number 9 to the Paul A. Laurence Co. contract in the amount of \$3,086 was presented to the Board for approval. It was moved by Mr. Fende, supported by Mr. McNabb and carried that the Change Order be approved.

A presentation by the accounting firm of Ernst & Whinney was made to the Board. Following the presentation, it was moved by Mr. Timmons and supported by Mr. Fende that the Board accept the oral progress report, and that the accounting firm not proceed with any additional work until flow data from Marquette Township is available for their use and that the user charge system question be resolved also before they proceed any further. The following vote was taken: Ayes - Mr. Timmons and Mr. Fende. Nays - Mr. Swaine and Mr. McNabb. The Chairman declared that the motion failed. It was then moved by Mr. McNabb, supported by Mr. Timmons and carried that the Board accept the Ernest & Whinney oral progress report and that the accounting firm not proceed any further until they receive instructions from the Advisory Board. At the request of the accounting firm, it was moved by Mr. Timmons, supported by Mr. Fende and carried that the engineering firm of Ayres, Lewis, Norris & May, Inc. be permitted to have access to the work papers of the accounting firm.

The Board members discussed the identification of the plant's rolling stock. It was requested that the plant superintendent be instructed to prepare a stencil of the wording to be put on all plant rolling stock and that it be presented to the Board members at their next regular meeting.

A communication from Mr. Larry Gould of Chocolay Township was read to the Board. It was moved by Mr. Timmons, supported by Mr. Fende and carried that Mr. Gould be allowed to work on the Industrial Pretreatment Program in conjunction with the consulting engineers. This work to be done at no additional cost to the Advisory Board.

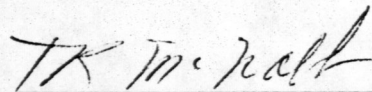
The members discussed the Industrial Pretreatment Program. Following the discussion, it was moved by Mr. McNabb, supported by Mr. Fende and carried that the Board authorize the submission of the amendment by the County Department of Public Works for the engineering work to be done on the program. It was moved by Mr. Fende and supported by Mr. Timmons

"that the Wastewater Treatment Advisory Board direct the board's secretary to immediately prepare for their review, correspondence to be directed to the Environmental Protection Agency illustrating a revenue system for the Marquette Area Wastewater Treatment Plant which will ensure a proportionate distribution of OM&R costs in accordance with E.P.A. letters of November 8, 1978, January 18, March 9, August 7, 1979, and March 6, 1980; and in so doing fully comply with all applicable Federal Regulation which has been referenced in the aforementioned communications to assure that full compliance is met, that no further delay or threat is forthcoming to project completion and final approval; as has been previously requested by Chocolay Township on several occasions."

Following a discussion of the motion, the following vote was taken: Ayes - Mr. Fende and Mr. Timmons. Nays - Mr. Swaine and Mr. McNabb. The Chairman declared the motion defeated for lack of a majority vote.

Mr. Timmons requested that the Secretary determine if any Step One engineering funds are payable to Marquette Township from the City of Marquette.

There being no further business, it was moved by Mr. Timmons, supported by Mr. Fende, that the meeting be adjourned.



T. R. McNabb, Secretary
Marquette Wastewater Treatment
Advisory Board

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A special meeting of the Marquette Wastewater Treatment Advisory Board was held on February 27, 1980 in the City Commission Chambers.

Members Present: Howard Swaine, Chairman
David Timmons, Marquette Township
Robert Taylor, Chocolay Township
Thomas McNabb, Secretary

Members Absent: Neil Carlson

Chairman Swaine called the special meeting to order. He stated that the purpose of the meeting was to discuss the hiring of an accounting firm, and the Chocolay Township communication of February 13, 1980. Three proposals were submitted for accounting services. The amounts were as follows:

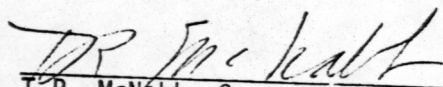
Ernst & Whinney	\$4,000
Hubbard & Wendt	\$5,200 - \$6,500
Anderson, Steinhoff & Tackman	\$5,500

Following a discussion of the three proposals, it was moved by Mr. McNabb and supported by Mr. Swaine and carried that the following resolution be adopted:

" The firm of Ernst & Whinney will develop a separate fund for the Marquette Area Wastewater Treatment Facility in accordance with all applicable Federal, State and Local regulations regarding the establishment of such funds, based on a fee of \$4,000 for 200 hours of work. If the hours of work require less than 200 hours the hours of work will be computed on the basis of \$20 an hour. If the 200 hours are to be exceeded, the consultant will get approval from the Advisory Board before proceeding beyond the 200 hour limit. Progress reports will be made to the Advisory Board on the date of the next regular meeting and subsequent meetings if necessary. Provisions of the existing contract will be followed in the work of the consultant. It is understood that audited statements for past and present years are not included."

The discussion of the Chocolay Township communication shown above took place during the discussion of the hiring of an accounting firm.

There being no further business, the Chairman declared the meeting adjourned.



T.R. McNabb, Secretary
Marquette Wastewater Treatment
Advisory Board

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Marquette Wastewater Treatment Advisory Board was held on February 13, 1980 in the City Commission Chambers.

Members Present: Howard Swaine, Chairman
Robert Taylor, Chocolay Township
David Timmons, Marquette Township
Thomas McNabb, Secretary

Members Absent: Neil Carlson

The Chairman opened the monthly meeting of the Wastewater Treatment Advisory Board. It was moved by Mr. Timmons, supported by Mr. McNabb and carried that the minutes of the previous meeting be approved as submitted.

The following list of bills was presented for payment:

Paul A. Laurence Co.	\$170,464.25
Closer Construction Co., Inc.	18,329.16
Ayres, Lewis, Norris & May, Inc.	15,871.38

It was moved by Mr. McNabb, supported by Mr. Taylor and carried that the above listed bills be approved for payment.

Change Order number 8 to the Paul A. Laurence Co. contract in the amount of \$4,532.00 was presented to the Board for approval. It was moved by Mr. Taylor, supported by Mr. Timmons and carried that the Change Order be approved.

A discussion was held concerning the Operation and Maintenance manual for the new Wastewater Treatment Plant. The consulting engineers indicated that they are completeing their review of the manual as requested by the Department of Natural Resources.

A discussion was held concerning the sludge disposal problem at the plant. The Secretary reported on the analysis of the sludge and sand that is now being conducted by Michigan State University. The Secretary is to contact Mr. Robert Raisanen of the Upper Peninsula Generating Company to have their company request an operating permit from Marquette Township for the sludge disposal site.

A report from the consulting engineers on the industrial pre-treatment program was presented. It was moved by Mr. Timmons, supported by Mr. McNabb and carried that the application be submitted to the Michigan DNR and EPA for their approval.

A discussion was also held concerning decals for the Wastewater Treatment Plant facilities. It was moved by Mr. Timmons, supported by Mr. Taylor and carried that the decal as presented by Mr. Paul Seglund be approved.

The Board members discussed the purchase of a truck chassis for the sewer cleaning equipment which is being provided as a part of the Paul A. Laurence Co. contract. It was moved by Mr. McNabb, supported by Mr. Taylor and carried that the truck chassis be paid for by the Board and become a part of the plant equipment.

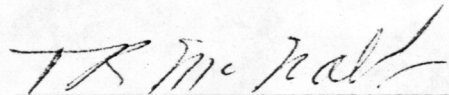
A discussion was held concerning accounting procedures for the Wastewater Treatment Plant operation. It was moved by Mr. Taylor, supported by Mr. Timmons and carried that the City Accountant assemble three quotations from certified public accounting firms for the purpose of setting up an operating fund for the Board effective at the beginning of the next fiscal year.

The Secretary reported on the Operation, Maintenance & Repair (OM&R) budget for the Board and the stoppage of payments from EPA. The letter submitted by the Secretary to EPA was presented to members of the Board.

An application for barrier free design exemption was presented to the Board by the consulting engineers. It was moved by Mr. Timmons, supported by Mr. Swaine and carried that this exemption be forwarded to the Michigan Department of Labor for their action.

A submission was made by Chocolay Township requesting a review of the Board's powers relating to the basic contract between the three units of government.

There being no further business, the meeting adjourned.



T. R. McNabb, Secretary
Marquette Wastewater Treatment
Advisory Board

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Wastewater Treatment Advisory Board was held on January 9, 1980 in the City Commission Chambers.

Members Present: Howard Swaine, Chairman
Neil Carlson, City of Marquette
Ivan Fende, Chocolay Township
Thomas McNabb, Secretary
David Timmons, Marquette Township

Members Absent: None

The meeting was called to order by Chairman Swaine. The minutes of the meeting held on December 12, 1979 were approved with the following correction to paragraph six to read as follows: "It was moved by Mr. Fende, supported by Mr. McNabb and carried that within the next thirty days Marquette Township is to report to the board at its next regular WWTFAB meeting if it is agreeable to having a consulting engineer study this problem and recommend an acceptable solution for these added costs. The costs of the consulting engineer to be bore by Marquette Township."

The following list of bills was presented for payment:

Paul A. Laurence Co.	\$551,084.45
Proksch Construction Co. (final)	4,273.75
Closner Construction Co., Inc.	23,465.00
Ayres, Lewis, Norris & May, Inc.	17,127.20

It was moved by Mr. Fende, supported by Mr. Carlson and carried that the above list of bills be paid.

Change order number 7 to the Paul A. Laurence contract in the amount of \$9,312.14 was presented for approval. It was moved by Mr. Carlson, supported by Mr. Timmons and carried that change order number 7 be approved.

Change order number 2 to the Closner Construction contract in the amount of \$1,856.86 was presented for approval. It was moved by Mr. McNabb, supported by Mr. Fende and carried that change order number 2 be approved.

Change order number 3 to the Closner Construction contract in the amount of \$1,047.00 was presented for approval. It was moved by Mr. McNabb, supported by Mr. Carlson and carried that change order number 3 be approved.

A communication from the State Department of Natural Resources concerning an Industrial Pretreatment Program was presented to the board. Following a discussion of the letter, it was moved by Mr. Timmons, supported by Mr. McNabb and carried that the board's consulting engineers present a proposal to the board at its next regular meeting concerning the costs of complying with the request of the Department of Natural Resource's letter.

A letter from the consulting engineers was presented concerning the installation and operation of the wastewater meter for Marquette Township. It was moved by Mr. Timmons, supported by Mr. Fende and carried that this report be accepted and that in the future, all meter reading estimates be handled in accordance with the governing contract, and that when wastewater meters servicing the two townships are inspected or worked upon that the townships be so informed.

A letter from Marquette Township was read concerning a proposed study by their consulting engineers on the concentration of wastewater coming into the system from the township. Following a discussion of the engineer's proposal, it was moved by Mr. Fende, supported by Mr. McNabb and carried that the amended version of the consulting engineer's proposal be accepted.

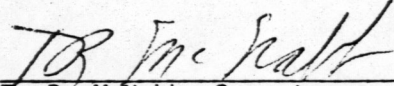
Discussion was held concerning the present surcharge being applied to the Marquette Township wastewater bill. It was moved by Mr. Fende, supported by Mr. Carlson that the Marquette Township rates be reduced by the amount of the surcharge and that any additional costs to Marquette Township be based on the consulting engineer's study and that they be retroactive to the date of the establishment of this board. The vote on the resolution showed Messrs. Fende and Timmons voting aye and Messrs. Swaine, Carlson and McNabb voting nay. The Chairman declared the resolution defeated. It was then moved by Mr. McNabb, supported by Mr. Swaine and carried by a three-two vote that the surcharge to Marquette Township be continued and that when the consulting engineer's study is completed, that all past charges will be based upon that study and made retroactive to the establishment of this board.

A discussion was held concerning the decals for the Wastewater Treatment equipment. Mr. Seglund presented five proposed decals which were shown to members of the board. Following a discussion of the decals, Mr. Seglund was requested to develop a new decal based on the comments of the board members.

A copy of a letter submitted by the City of Marquette to the Environmental Protection Agency was presented to board members for informational purposes.

It was requested that at the next regular meeting that a discussion of the accounting practices, the purchase and accounting for the truck chassis bought by the City of Marquette, and the payment in lieu-of-taxes for the past year be discussed.

There being no further business, the meeting adjourned.


T. R. McNabb, Secretary
Wastewater Treatment Facility
Advisory Board

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Wastewater Treatment Advisory Board was held on December 12, 1979 at the Wastewater Treatment Plant.

Members Present: Howard Swaine, Chairman
Ivan Fende, Chocolay Township
David Timmons, Marquette Township
Thomas McNabb, Secretary

Members Absent: Neil Carlson, City of Marquette

The meeting was called to order by Chairman Swaine. It was moved by Mr. Fende, supported by Mr. McNabb and carried that the minutes of the previous meeting be approved as submitted.

The following bills were presented for payment:

Proksch Construction Co.	\$ 8,563.50
Closner Construction Co., Inc.	111,556.66
Paul A. Laurence Co.	318,885.98
Ayres, Lewis, Norris & May, Inc.	20,952.07

It was moved by Mr. McNabb, supported by Mr. Swaine and carried that the above listed bills be approved for payment.

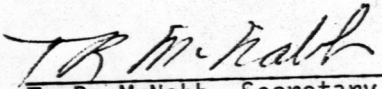
The next item of business was a discussion of the meeting dates for the calendar year 1980. It was moved by Mr. McNabb, supported by Mr. Fende and carried that the regular meetings of the WWTAB be held in the Marquette City Commission Chambers at 3:30 PM on the second Wednesday of each month.

A discussion was held concerning the wastewater flow and concentration from Marquette Township. It was moved by Mr. Fende, supported by Mr. McNabb and carried that within the next thirty days Marquette Township provide the WWTAB with information secured from a consulting engineering firm as to the BODs and suspended solid concentration from Marquette Township and the additional costs incurred at the plant. Marquette Township is to report to the Board at its next regular WWTAB meeting if it is agreeable to having a consulting engineer study this problem and recommend an equitable solution for these added costs. The costs of the consulting engineers to be bore by Marquette Township.

The Board discussed the wastewater outfall problem at the new plant site. Board members were informed that the Chairman of the Board will conduct a public meeting on this subject to be held in the Marquette City Commission Chambers beginning at 7:00 PM on Monday, January 21, 1980.

The Board members discussed decals for the equipment owned by the Authority, and labor and equipment charges of plant personnel and equipment to other departments of the City of Marquette or other units of government.

There being no further business, it was moved by Mr. Fende and supported by Mr. McNabb that the meeting be adjourned.


T. R. McNabb, Secretary
Wastewater Treatment Advisory
Board

TRM:m1

WASTEWATER TREATMENT ADVISORY BOARD MEETING

NOTICE

DATE: December 12, 1979 (Wednesday)

TIME: 2:00 PM

PLACE: Wastewater Treatment Plant

16

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Wastewater Treatment Advisory Board was held on November 14, 1979 in Marquette City Hall.

Members Present: Howard Swaine, Chairman
Robert Taylor, Chocolay Township (representing Ivan Fende)
Dave Timmons, Marquette Township (see attachment)

Members Absent: Neil Carlson, City of Marquette
Ivan Fende, Chocolay Township
Thomas McNabb, Secretary

The meeting was called to order by Chairman Swaine. It was moved by Mr. Taylor, supported by Mr. Swaine, and carried that the minutes of the previous meeting be approved, with the addition that Mr. Taylor be recorded as present at the October 10, 1979 meeting.

The following bills were presented for payment:

Paul A. Laurence Co.	\$538,757.97
Closner Construction Co., Inc.	16,589.88

It was moved by Mr. Taylor, supported by Mr. Swaine, and carried, that the bills shown above be approved for payment.

Change Order Number 1 to the Closner Construction Co., in the amount of \$2,486.15 was presented and explained by consulting engineer Jack Craigmile. It was moved by Mr. Swaine, supported by Mr. Taylor and carried that the Change Order be approved.

Change Order Number 6 to the Paul A. Laurence Co., in the amount of \$6,282.00 was presented and explained by consulting engineer Jack Craigmile and resident engineer Harold Hayse. It was moved by Mr. Swaine, supported by Mr. Taylor, and carried that the Change Order be approved.

A November 5, 1979 informational letter to Thomas Marks of the EPA from Thomas McNabb was distributed to those in attendance.

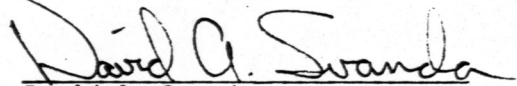
A discussion was held concerning the time and location of the regular December meeting of the Board. Consensus dictated that the December 12, 1979 meeting would be called for 2:00 PM at the Treatment Plant site. Members will tour the site, then hold the meeting in the plant's office

Mr. Swaine requested information concerning the establishment of a local association dealing with Solid Waste Management. Robert Taylor responded that the East Marquette County Solid Waste Disposal Authority has been chartered. The members of the Authority include the townships of Marquette, Chocolay, West Branch, Turin, Sands, and Skandia. The Authority has one full time Ceta employee researching solid waste management alternatives for the Authority. The Authority's mailing address is in care of the Chocolay Township offices.

Mr. Taylor made several comments and requested information as follows:

- 1) status report on the location of the plant's outflow line - given by consulting engineer Jack Craigmile.
- 2) how much inspection and guidance is being provided by the County Inspectors? Jack Craigmile and Harold Hayse responded that (a) no objections to any construction activity had been raised to date; (b) there is no visible effort on the inspector's part to coordinate their activities with the involved contractors; (c) to their (Craigmile & Hayse) knowledge, the inspectors had not witnessed any concrete being poured at the site.
- 3) would like to see financial reports from the City to determine content and form - (see attachments).
- 4) would like assurance that an accurate mechanism is in place to record and charge the utilization of manpower and equipment outside of the scope of the Wastewater Treatment Plant project.

There being no further business, Chairman Swaine adjourned the meeting.



David A. Svanda,
for T. R. McNabb, Secretary
Wastewater Treatment Advisory Board

Attachments

MARQUETTE TOWNSHIP

RTE. 2, BOX 161
MARQUETTE, MICH. 49855

MEMBER
MICHIGAN TOWNSHIP ASSOC.

PH. 906-228-6220

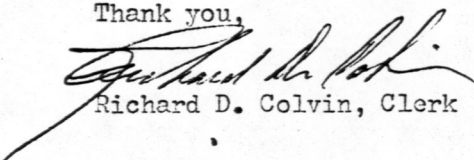
Wastewater Treatment Advisory Board
City Hall
Marquette, Mich. 49855

Re: Change of voting representative

Dear Board Members:

Please be advised that the Marquette Township Board, at a regular meeting November 12, 1979, voted to change the voting representative from Marquette Township. Mr. David Timmons, Marquette Township's Manager, will replace Mr. Alvin Weiland as the voting representative from Marquette Township.

Thank you,



Richard D. Colvin, Clerk

STATUS OF WASTEWATER TREATMENT PLANT BUDGET

7/1/79 - 9/30/79 (3 months)

25.00% of FISCAL YEAR

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>% OF BUDGET</u>
<u>Operating Expenditures:</u>			
Operation Labor	\$100,000.00	\$ 13,178	13.18 %
Chemicals	36,000.00	3,900	10.83 %
Electric Power	38,000.00	1,160	3.05 %
Supplies	15,000.00	1,582	10.55 %
Fuel for Heating	3,000.00	-0-	0.00 %
Maintenance	2,000.00	526	26.30 %
Equipment Operation	2,000.00	-0-	0.00 %
Fuel for Vehicles	2,000.00	203	10.15 %
TOTAL OPERATING EXPENDITURES	\$198,000.00	\$ 20,549	10.38 %
 <u>Administrative & General:</u>			
Administrative Salaries	\$ 10,000.00	\$ 3,105	31.05 %
Supplies	2,500.00	259	10.36 %
Audit	2,500.00	-0-	0.00 %
Property Insurance	2,000.00	-0-	0.00 %
Workers' Compensation Insurance	15,000.00	-0-	0.00 %
Liability Insurance	10,000.00	-0-	0.00 %
Schooling and Safety	500.00	-0-	0.00 %
Retirement	15,000.00	1,836	12.24 %
Social Security	8,000.00	808	10.10 %
Vacation & Sick Leave	10,000.00	984	9.84 %
Paid Holidays	2,500.00	296	11.84 %
Hospitalization	8,000.00	1,107	13.84 %
Longevity	1,000.00	-0-	0.00 %
Life Insurance	200.00	54	27.00 %
Unemployment Insurance	1,000.00	-0-	0.00 %
Miscellaneous General Expenses	300.00	-0-	0.00 %
TOTAL ADMINISTRATIVE & GENERAL	\$ 88,500.00	\$ 8,449	9.55 %
 <u>Other:</u>			
Capital Outlay	\$ 7,000.00	\$ -0-	0.00 %
Payment-in-lieu-of-Taxes	43,100.00	9,132	21.19 %
Interest on Debt	2,200.00	624	28.36 %
Bond Redemption	50,000.00	12,501	25.00 %
Reserve Funds	25,000.00	-0-	0.00 %
TOTAL OTHER	\$127,300.00	\$ 22,257	17.48 %
 TOTALS:	 <u>\$413,800.00</u>	 <u>\$ 51,255</u>	 <u>12.39 %</u>

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Wastewater Treatment Advisory Board was held on October 10, 1979 in Marquette City Hall.

Present: Howard Swaine, Chairman
Alvin Weiland, Marquette Township Member
Neil Carlson, City of Marquette Member
Thomas McNabb, Secretary

Absent: Ivan Fende, Chocolay Township Member

The meeting was called to order by Chairman Swaine. It was moved by Mr. Weiland, supported by Mr. Carlson and carried that the minutes of the previous meeting be approved as presented.

The following bills were presented for payment:

Paul A. Laurence Co.	\$913,323.47
W. A. Porter	4,647.62
Closner Construction Co.	41,714.69
Ayres, Lewis, Norris & May, Inc.	12,676.21

It was moved by Mr. McNabb, supported by Mr. Carlson and carried that the bills shown above be approved for payment.

Change Order Number 4 to the Proksch Construction Co. in the amount of \$7,580 was presented. It was moved by Mr. Weiland, supported by Mr. Carlson and carried that the Change Order be approved.

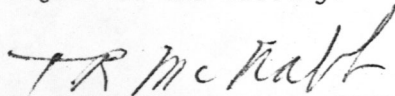
Change Order Number 5 to the Paul A. Laurence Co. in the amount of \$4,846 was presented for payment. It was moved by Mr. Weiland, supported by Mr. McNabb and carried that the Change Order be approved.

A discussion was held concerning the accounting procedures to be followed upon the completion of the Wastewater Treatment Plant. It was moved by Mr. Carlson, supported by Mr. Weiland and carried that this matter be tabled until February, 1980 to allow the Board to review monthly accounting statements which will be presented to the Board from the City's accounting Department.

A communication from the Marquette Township Board was read requesting that an addendum to Step One be authorized to permit Marquette Township to begin planning for a sanitary sewer system in the Trowbridge Park area. It was moved by Mr. Weiland, supported by Mr. Carlson and carried that the Marquette City Manager review and sign amendment number one to the facilities plan and forward it to the proper state agency for their approval. It is understood that the local share of the financial obligation for this project will be the responsibility of Marquette Township alone.

The Board members discussed a meeting which would be held at the Wastewater Treatment Plant and it was decided to hold the December meeting at the plant site.

There being no further business, Chairman Swaine adjourned the meeting.



T. R. McNabb, Secretary
Wastewater Treatment Advisory Board

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Wastewater Treatment Advisory Board was held on September 12, 1979 in Marquette City Hall.

Present: Howard Swaine, Chairman
Alvin Weiland, Marquette Township Member
Ivan Fende, Chocolay Township Member
Neil Carlson, City of Marquette Member
Thomas McNabb, Secretary

The meeting was called to order by Chairman Swaine. There being no questions concerning the minutes of the previous meeting, they were approved as presented.

The following bills were presented for payment:

Paul A. Laurence	\$609,158.36
Closner Construction Co., Inc.	63,241.22
Ayres, Lewis, Norris & May, Inc.	22,506.91

It was moved by Mr. Weiland, supported by Mr. Carlson and carried that the above listed bills be approved for payment.

The board members discussed the letter of Mr. Marks from the Environmental Protection Agency. Upon receipt of information from Chocolay Township, the Secretary of the Board will respond to the letter and send copies of that response to all board members.

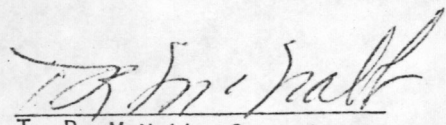
A letter from the Paul A. Laurence Co. was read wherein the company requested that the retention on their monthly billings be reduced from 10% to 5%. The consulting engineer recommended that this request be granted whereupon it was moved by Mr. Weiland, supported by Mr. Carlson and carried that the retention on all future billings be reduced to 5%.

Change Order number four to the original contract to the Wastewater Treatment Plant was considered by the board members. It was moved by Mr. Fende, supported by Mr. Carlson and carried that the Change Order be approved.

A letter from Anderson, Steinhoff, Tackman & Co. was distributed. The letter related to the routine accounting which will be required for the operation of the plant. The Chairman requested that the letter be studied and that the three letters now received from accounting firms and the City's proposal be discussed at the next meeting, and that the City Accountant also be present at that time.

A discussion was held concerning the disposal of sludge from the new plant. At the present time, negotiations are going forward with the U. P. Generating Co. to make use of this sludge on their fly ash area located west of County Road 550.

There being no further business, the Chairman adjourned the meeting.


T. R. McNabb, Secretary
Marquette Wastewater Treatment
Facility Advisory Board

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Wastewater Treatment Advisory Board was held on July 11, 1979 in the Marquette City Commission Chambers.

Present: Howard Swaine, Chairman
 Alvin Weiland, Marquette Township Member
 Thomas McNabb, Secretary
 Ivan Fende, Chocolay Township Member
 Neil Carlson, City of Marquette Member

It was moved by Mr. Weiland, supported by Mr. Fende and carried that the minutes be approved as submitted.

The following list of bills was presented for payment:

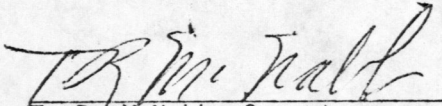
Ayres, Lewis, Norris & May	\$ 16,619.02
Paul A. Laurence Co.	691,739.21
Closner Construction Co.	106,227.02

It was moved by Mr. McNabb, supported by Mr. Weiland and carried that the above listed bills be approved for payment.

Mr. Jack Craigmile from the firm of Ayres, Lewis, Norris & May discussed with the Board change order number three in the amount of \$63,301.00 to the Paul A. Laurence contract. Following a discussion of the various parts of the change order, it was moved by Mr. Fende, supported by Mr. Weiland and carried that the change order be approved.

A discussion was held on Chocolay Township's letter of May 8, 1979. It was requested that the Secretary obtain proposals from two accounting firms to handle the entire accounting procedure for the Wastewater Treatment Board.

There being no further business, the meeting adjourned.


T. R. McNabb, Secretary
Marquette Wastewater Treatment
Facility Advisory Board

TRM:m1

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Wastewater Treatment Advisory Board was held on June 13, 1979 in the Marquette City Commission Chambers.

Present: Howard Swaine, Chairman
Alvin Weiland, Marquette Township Member
Thomas R. McNabb, Secretary

Absent: Ivan Fende, Chocoday Township Member
Neil Carlson, City of Marquette Member

Also Present: Robert Taylor, Chcoolay Township

It was moved by Mr. Weiland, supported by Mr. Taylor and carried, that the minutes of the previous meeting be approved as submitted.

The following list of bills was listed for payment:

Ayres, Lewis, Norris & May	\$ 19,247.24
Closner Construction Co., Inc.	174,579.33
Paul A. Laurence Co.	790,725.96

It was moved by Mr. McNabb, supported by Mr. Weiland and carried, that the invoices shown above be approved as submitted.

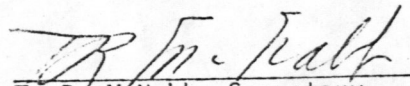
Change order number 3 in the amount of \$63,301 was presented to the Board. Following a discussion of the change order, it was requested that a representative of the engineering firm be present at the next meeting to explain the individual items in the proposed change order.

A discussion on the building permit fee was held and contact will be made with both Ishpeming and Negaunee to determine if the three units of government should consider some concerted action regarding the fees.

A discussion was held concerning the Industrial Cost Recovery and sewer rate structure. Both the City of Marquette and Marquette Township should submit to EPA the names of the industries which will be covered under these rates. This submission must be made prior to June 30, 1979.

The suggestion of insurance and titling of rolling stock was discussed. It was the consensus of opinion that the titles and insurance should be in the name of the City of Marquette and charges for insurance made against the plant's operating costs as appropriated.

There being no further business, the meeting adjourned.


T. R. McNabb, Secretary
Wastewater Treatment Advisory
Board

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Wastewater Treatment Advisory Board was held on May 9, 1979 at 3:30 PM in the Marquette City Commission Chambers.

Present: Howard Swaine, Chairman
Ivan Fende, Chocolay Township member
Thomas R. McNabb, Secretary

Absent: Al Weiland, Marquette Township member
Neil Carlson, City of Marquette member

Also Present: Robert Taylor, Chocolay Township
Richard Colvin, Marquette Township

The meeting was called to order by Chairman Swaine. It was moved by Mr. Fende, supported by Mr. McNabb, that the minutes of the previous meeting be approved as submitted.

The following invoices were presented for payment:

Closner Construction Co., Inc.	\$ 34,110.00
Paul A. Laurence Co.	306,410.04
Ayres, Lewis, Norris & May, Inc.	27,783.16

It was moved by Mr. McNabb, supported by Mr. Fende and carried, that the invoices shown above be paid.

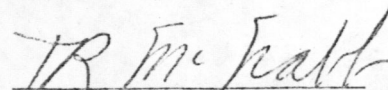
A drawing of the proposed Wastewater Treatment sign was presented to the board for approval. The wording on the sign is to read "Marquette Area Wastewater Treatment Plant". The sign was approved and the drawing is to be forwarded to the consulting engineers for final submission.

The secretary discussed with the board the need for an industrial cost recovery and sewer surcharge rate structure. This information will be accumulated by the City of Marquette and Marquette Township for submission to EPA for their approval.

A letter from Chocolay Township concerning budget implementation was discussed by the members of the board.

The board members discussed the permit fee charged by the County, and Chocolay Township representatives were requested to contact the County administrative officials concerning possible changes in the formula used by the County to determine the fee charged to the Wastewater Treatment Plant.

There being no further business, it was moved by Mr. Fende, supported by Mr. McNabb, that the meeting be adjourned.


T. R. McNabb, Secretary

Wastewater Treatment Advisory Board

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Wastewater Treatment Advisory Board was held on April 11, 1979 at 3:30 PM in the Marquette City Commission Chambers.

Present: Howard Swaine, Chairman
Thomas R. McNabb, Secretary
Ivan Fende, Chocolay Township Member
Alvin Weiland, Marquette Township Member
Robert Taylor, Chocolay Township

Absent: Neil Carlson, City of Marquette Member

It was moved by Mr. Fende, supported by Mr. Weiland and carried, that the minutes of the previous meeting be approved as submitted.

The following three invoices were presented for payment:

Ayres, Lewis, Norris & May, Inc.	\$ 19,343.17
Closner Construction Co.	37,604.32
Paul A. Laurence Company	706,093.20

It was moved by Mr. Fende, supported by Mr. Weiland and carried, that the invoices shown above be paid.

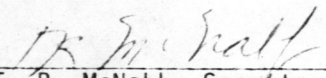
The board members discussed the fee charged by the County for the building permit required for the Wastewater Treatment Plant. The secretary also reported that a second building permit was required by the County for the construction of the Walnut Street sewage lift station. A letter from the County was discussed pertaining to a meeting to be held by the County's Environment, Lands & Buildings Committee on April 26, 1979. All members of the board were requested to be present at that meeting.

The secretary reported that the O'Dovero-Brumm complaint was acted upon by the Marquette County Department of Public Works at its regular meeting held on April 9th. The Board of Public Works concurred in the recommendation of the Wastewater Treatment Board concerning this complaint.

The proposed plaque to be erected at the Wastewater Treatment plant was presented for approval. There being no proposed alterations, the sketch of the plaque was approved and will be given to the consulting engineers for processing.

The secretary discussed with the board the status of the construction progress and a letter which was written to EPA concerning the plant's budget and the industrial cost recovery system.

There being no further business, it was moved by Mr. Fende, supported by Mr. Weiland and carried, that the meeting be adjourned.



T. R. McNabb, Secretary
Wastewater Treatment Advisory Board

TRM:m1

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A Special Meeting of the Wastewater Treatment Advisory Board was held on February 28, 1979 at 3:30 PM in the Marquette City Commission Chambers.

Present: Chairman Howard R. Swaine
Secretary, Thomas R. McNabb
Member Alvin Weiland

Robert Taylor, Chocolay Township
Wayne Johnson, Marquette Township

Absent: Neil Carlson, City of Marquette Member
Ivan Fende, Chocolay Township Member

The Chairman asked if there were any corrections to the minutes of the meeting held on February 14, 1979. There being no objections, he ordered the minutes accepted and placed on file.

The following invoices were presented for payment:

Paul A. Laurence Co.	\$198,735.23
Closner Construction Co., Inc.	42,217.83

It was moved by Mr. Weiland, supported by Mr. McNabb and carried that the above invoices be paid.

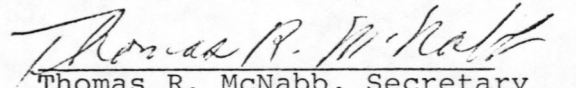
The Secretary reported to the Board on the building permit that was issued by the County's inspection department. The Board has received no formal written communication from the County concerning its' request for a waiver of the permit fee or a reduction in the total amount of the fee. The Secretary was instructed to communicate with the County to determine if any official action had been taken by the Marquette County Board of Commissioners and also, to determine if machinery was a proper inclusion in the permit fee and also, to request that the County inspectors' time be accounted for during their inspections of the building.

The Secretary presented to the Board a proposed plaque to be erected in the newly constructed plant. It was the opinion of the Board that individual names should not be included in the plaque, and that the plaque should indicate that the plant is owned and operated by the City of Marquette, Chocolay Township and Marquette Township. The Secretary was instructed to communicate this information to the consulting engineers.

The Board discussed the proposed budget for 1979-80. Questions were asked concerning the payment of prior years taxes and the 1953 advance from the City of Marquette's general fund. The Board

agreed to again review the budget at its regular meeting scheduled for March 14, 1979, at which time the budget should be approved and forwarded to the Marquette City Commission for inclusion in the Water & Sewer Utility budget.

There being no further business, Chairman Swaine adjourned the meeting.


Thomas R. McNabb, Secretary
Wastewater Treatment Advisory
Board

TRM:ml

WASTEWATER TREATMENT ADVISORY
BOARD - SPECIAL MEETING NOTICE

DATE: February 28, 1979, (Wednesday)

TIME: 3:30 PM

PLACE: Commission Chambers, Marquette City Hall

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Wastewater Treatment Advisory Board was held on February 14, 1979 at 3:30 PM in the Marquette City Commission Chambers.

Present: Chairman Howard R. Swaine
Secretary Thomas R. McNabb
Members: Ivan Fende & Al Weiland

Robert Taylor, Chocolay Township
Wayne Johnson, Marquette Township

Absent: Neil Carlson

It was moved by Mr. Fende, supported by Mr. McNabb and carried that the minutes of the previous meeting be approved as submitted.

The following invoices were presented for payment:

Proksch Construction Co.	\$ 61,788.76
Closner Construction Co., Inc.	4,950.00
Paul A. Laurence Co.	387,186.31
Ayres, Lewis, Norris & May, Inc.	22,444.59

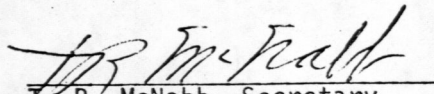
It was moved by Mr. Weiland, supported by Mr. Fende and carried that the invoices as shown above be paid.

The secretary reported to the Board on his communication with EPA concerning a Sewer Use Ordinance and the proposed Industrial Cost Recovery System. It was requested that the secretary provide a copy of EPA's letter and his response thereto to the members with these minutes.

The secretary reported to the Board on the O'Dovero and Brumm complaint. It was the consensus of the Board that the proposed settlement as submitted by the protestant's attorney, Robert J. Smith, be denied.

A discussion was then held concerning the proposed 1979-80 WWT Plant's budget. Following a discussion of the line items of the budget, it was decided to hold a special meeting of the Board at 3:30 PM on Wednesday, February 28th, to finalize the budget for the next fiscal year.

There being no further business, Chairman Swaine adjourned the meeting.


T. R. McNabb, Secretary
Wastewater Treatment Advisory Board

January 18, 1978

Mr. John Beerling, Director
County of Marquette
Department of Public Works
North Second Street
Ishpeming, Michigan 49849

Subject: Treatment Works Grant
Step 3, C263279 01

Dear Mr. Beerling:

This will acknowledge receipt of a letter dated December 6, 1978, from Mr. Thomas McNabb, City Manager for Marquette, Michigan, regarding our letter of November 7, 1978, which pertained to a proposed User Charge System (UCS) and Industrial Cost Recovery System (ICRS).

Based on the information provided by Mr. McNabb, we are unable to determine that the proposed revenue systems satisfy that part of Special Grant Condition NO. 3 pertaining to the UCS and ICRS. To aid the County in developing revenue systems which we can determine satisfy that grant condition, we have set forth on the attachment to this letter our comments and observations.

Payments beyond 50 percent of the grant are restricted until the grantee submits adequate evidence to timely development for the UCS and ICRS. Furthermore, payments of more than 80 percent are prohibited until the County obtains approval of the UCS, ICRS and Sewer Use Ordinance. Accordingly, please provide a response at the earliest practicable time, but no later than thirty days from the date of this letter.

If you have any questions regarding these matters, please contact me at (312) 353-2138.

Very truly yours,

Thomas C. Marks
Financial Analyst
Operations Section
Environmental Engineering Branch

cc: Michigan
T. R. McNabb, City Manager
Ayres, Lewis, Norris & May, Inc.

Following are our comments and observations pertaining to the information provided in Mr. McNabb's letter. The below item numbers correspond to those used in his letter.

- 1) In defining industry for purposes of an ICRS, please refer to 40 CFR 35.905 as published in the September 27, 1978 Federal register and modify the proposed definition as appropriate.
- 2) Our approval of the revenue systems for the area serviced by the City of Marquette extends only to the UCS and ICRS. The UCS must result in each recipient of treatment services paying its proportionate share of operation, maintenance and equipment replacement (OM&R) costs incurred in providing it with services. The ICRS recovers from industrial users of the treatment works that portion of the grant amount allocable to the treatment of wastes from such users. Accordingly, please isolate the expenses, rates and revenues for local capital costs and miscellaneous items (such as payments-in-lieu of taxes and revenues "not related to sewage flow") from those pertaining to OM&R in the ordinances, service agreements and accounting data.
- 3) Please explain how it was determined that 500 cubic feet per month is the appropriate flow for unmetered users. How does it compare with the discharge from metered users?
- 4) As a grantee, the County has agreed to assume responsibilities regarding the UCS, ICRS and Sewer Use Ordinance (SUO) throughout the Marquette service area. A grantee may assign the tasks of developing, implementing and enforcing the UCS, ICRS and SUO to another municipality. However, this does not diminish the grantee's responsibilities.

Through the information provided, we understand that the County has assigned those tasks to the City. However, we have not been provided with a service agreement, or similar document, specifically assigning the tasks related to the revenue systems to the City while making it clear that the County retains the associated responsibilities. Please provide this documentation.

Furthermore, the proposed sewer service agreement between the City and Townships requires that the Townships shall adopt a UCS, ICRS and SUO. However, it does not set forth any details regarding the revenue systems and ordinances. In order to clearly establish rules regarding these requirements, it is suggested that the agreement be expanded to provide such details. These may include a list of provisions in the sewer ordinances of the Townships which are to be compatible with the City's SUO: definitions of a UCS, ICRS and industrial users for purposes of ICRS; the method for collection of extra strength surcharge revenue; and payment, disposition and investment of ICR amounts.

- 5) The charges presented in a report entitled "Water Supply and Sewage Disposal Service System, City of Marquette, Michigan, January 1977" are not the charges set forth in Section 58.03 of the sewer rate ordinance. Please clarify. Since the report and ordinance set forth different charges, we do not have information supporting the enacted rate structure. Such information would be of an engineering/accounting nature including an itemized budget (a list of possible items is attached) and a description of the basis for assigning costs to the treatment, collection and customer categories (as an example, this description would explain the reason for assigning sewer maintenance to the customer category). Furthermore, the fixed monthly charges appear to provide quantity discounts to large value users. Pursuant to Appendix B of the regulations for the Construction Grants Program published in the September 27, 1978 Federal Register, such discounts are not acceptable.

The information provided indicates that labor expenses associated with the treatment plant are considered fixed and revenue is generated to cover such expenses through charges based on demand, meter size, or the allocation of capital costs. The costs associated with treatment plant labor may be considered fixed in that they are incurred on an annual basis regardless of flow. However, the cost is incurred to provide sewage treatment services. The benefits for these services are accrued depending on the magnitude of a users discharge measured in terms of flow and loading. Accordingly, it is suggested that revenue to cover treatment plant labor expenses be recovered through a rate per hundred cubic feet of billable flow.

The information submitted concerning charges to the Townships is not adequate for us to determine that they are paying their proportionate share of OM&R. Such information would include engineering/accounting data illustrating the allocation of costs to the treatment, conveyance and customer categories. It would show that expenses assigned to the Township are only those associated with the services received, i.e. the Townships are only paying OM&R expenses relating to that portion of the intercepting sewers they use, customer costs are those incurred solely on their behalf and treatment costs are related to their discharge into the treatment plant.

- 6) Our suggestion was not that the City delete the provision in the sewer service agreements requiring money from the general fund be used to cover deficits for OM&R. Rather, it is suggested that the provision be expanded by requiring an increase in the municipality's sewage rates, which are sufficient to repay the general fund amounts used in offsetting the the deficit and prevent future inadequacies of revenue. A UCS we could approve must generate revenue for OM&R expenses from recipients of services in proportion to the cost of such services.
- 7) We do not consider payments-in-lieu of taxes as part of OM&R. Please separate these payments from the expenses and revenues for OM&R and reallocate administration costs accordingly.

We have not received information the City's letter indicated would be presented by the consulting engineer. Please provide this information in conjunction with a response to this letter. Also, please provide information pertaining to the Michigan State Prison. Is it a contract customer? If it is such a customer, please provide a breakdown of costs similar to those requested in item 5 above.

CITY OF MARQUETTE
MICHIGAN 49855

THOMAS McNABB
CITY MANAGER



(906) 228-8200
EXT. 21

January 29, 1979

Mr. Thomas C. Marks
Financial Analyst
Operations Section
Environmental Engineering Branch
ENVIRONMENTAL PROTECTION AGENCY
Region V
230 South Dearborn Street
Chicago, Illinois 60604

Dear Sir:

I received a copy of your letter dated January 18, 1979 addressed to Mr. John Beerling, Director, Marquette County Department of Public Works.

This letter is in answer to your communication of January 18th, and the paragraph numbers below coincide with your paragraph numbers:

1. In rereading 40 CFR 30.905 of September 27, 1978, I see no specific definition of "industry" as referred to in your letter. I assume your reference is to the definition of "Industrial Cost Recovery". If my assumption is correct, I propose that the City ordinance be amended by defining "Industrial cost recovery" as follows:

- (a) The grantee's recovery from the industrial users of a treatment works of the grant amount allocable to the treatment of waste from such users under section 204(b) of the Act and this subpart.
- (b) The grantee's recovery from the commercial users of an individual system of the grant amount allocable to the treatment of waste from such users under section 201 (h) of the Act and this subpart.

If this proposal meets with your approval, please so indicate to me and I will submit the change to the Marquette City Commission in ordinance form.

Mr. Thomas C. Marks
January 29, 1979
Page 2.

2. On the enclosed copy of the current utility budget, I have shown with an * those items of revenues and expenditures that do not pertain to your OM&R Cost Sheet that accompanied your letter.

3. On page 12 of the Ernst & Ernst cost-of-service study, they determined that the average metered residential customer consumed 850 cubic feet of water and sewage service each month. The unmetered customers are those residents living in small older homes & normally are elderly people living alone on a fixed income. The City has always estimated their water and sewage service at 500 cubic feet a month and the Ernst & Ernst report would support such an estimate. Because these 300 residential homes are unmetered, there is no other cost effective way to determine their consumption except by estimating their usage.

4. Your paragraph four shows concern for the relationship of the county and the other three units of government (two townships and one city) as it relates to the operation of the new plant and the enforcement of the ordinances.

In the agreement dated September 19, 1977 (of which you have a copy), paragraph 15, page 11, sets forth the procedure to be followed in the construction and operation of the plant. To begin with the Marquette County Department of Public Works was asked to be the grant recipient and to also sell the bonds for the three local units of government in order to receive the best interest rate on the general obligation bond issue. Michigan law set up the County Department of Public Works to provide just that type of service. The City of Marquette and the two Townships involved had previous water and sewer projects funded by the County Department of Public Works and then leased back to the Townships or City for the operation and maintenance of the facility. The only County responsibility that remains after the construction has been completed is to forward the bond and interest payments to the paying agency after the local units of government have forwarded to the County the funds for such payment.

The contract spells out this procedure very clearly and this document has been reviewed by the local attorneys, bond attorneys, and the Michigan Municipal Finance Commission.

The User Charge System and the Industrial Cost Recovery System will be instituted by the two Townships and the City and will be collected by these units of government as they apply. At the present time, there are no businesses or industries that will be required to pay either charges. The one dairy located in Marquette Township that may be subject to these charges has a pre-treatment facility which should preclude even their being covered by the UCS or ICRS.

I am enclosing herewith as enclosures 1 and 2, the proposed procedures for collecting the User Charge or the Industrial Cost Recovery, if and when the facility has users that require such payments. It is proposed that all three units of government adopt these schedules if they meet with your approval.

5. On page 9 and 10 of the Ernst & Ernst report, the consultants recommended that the City's rate structure have a fixed monthly charge to cover a readiness-to-serve function and also a customer service charge.

The variable charge was to be called the commodity (or consumption) charge. Section 58.03 of the City ordinance calls for a fixed monthly charge of \$3.23 for all residential users and a sliding fixed scale for large users depending on their monthly consumption. Both residential and large users would pay the same \$.07 per 100 cubic feet of wastewater treated.

The only point at which the ordinance deviated from the consultant's recommendation is the method by which the large users' fixed fee was established. The report recommended that it be done by meter size and we found that average monthly consumption was a better figure to use because many large volume users have installed oversize meters because their lateral connection was oversized for fire protection purposes and the size of the lateral and the meter had no relationship to the amount of water and wastewater required.

I find it difficult to believe that a reading of the report and the ordinance would not show how close we followed the report. In fact, the one deviation shown above was discussed with and approved by Ernst & Ernst prior to its being incorporated in the ordinance.

As enclosure 3, 4 and 5, I am showing you the account numbers of our line items in the budget, the present year's budget for these items, and the latest audit report for the utility. Bear in mind that the budget and audit report also covers other portions of the utility, such as the operation of the water plant, so all of the budget and audit line items will not pertain to the wastewater plant.

Your second paragraph of item 5 made no sense to anyone that read it including our accountant and our auditor. You apparently will not accept the premise that the labor at the plant is a fixed charge and should be funded through the fixed portion of the utility bill. Our consultants have discussed the matter with you by phone and we have reviewed the method of handling the labor charges again and we cannot concur with your opinion that the labor costs should be funded from the consumption portion of the bill.

Mr. Thomas C. Marks
January 29, 1979
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To answer your concerns on whether or not the Townships are paying their fair share of the OM&R costs. I am enclosing herewith as enclosures 6 and 7 the worksheets that were developed by the City and the Townships together showing how the rates were arrived at and how much they would pay. Again, the Township rates were established based on the cost-of-service principle set forth in the Ernst & Ernst report.

6. In the agreement dated September 19, 1977, page 10, paragraph 13, beginning on line 9, the provision for an increase in sewage disposal service charges are set forth. That paragraph in the agreement should satisfy your concerns shown in your paragraph 6.

7. The payment-in-lieu of taxes can easily be separated from any OM&R charges as it is a separate line item in the budget and is also a required payment in accordance with the contractual obligations of all three parties. I find it interesting, however, that the Operation Maintenance and Replacement costs shown on the line item sheet you provided for me in your letter has a line item entitled "Taxes and Penalties" as part of the OM&R costs. The term payment-in-lieu of taxes means the same as general property taxes and in our situation the local City Assessor determines the value of the utility at which point the total City tax rate is applied to that valuation to arrive at the yearly payment-in-lieu of taxes. Unless your line item entitled "Taxes & Penalties" refers to some form of State or Federal income taxes (the utility, of course, pays neither tax) the payment-in-lieu of taxes would be a legitimate charge under your OM&R guideline. I will not belabor the point any further as we can handle the problem locally whether or not it meets your OM&R guidelines.

The information referred to in your last paragraph which was to be provided by our consulting engineers has just been received in my office so I will enclose their material with this letter.

I am also enclosing as enclosures 8 and 9, the sewer use ordinances adopted by the two Townships.

I have been a City Manager for over twenty years and have dealt with all levels of the State and Federal bureaucracy including several other divisions of EPA, but I have never encountered anyone that had such difficulty understanding the method under which we are operating our Water & Sewer Utility. I have been overly cooperative in providing you with all the formal documentation concerning this project and I see no reason why you cannot accept our present methods of allocating revenues and expenditures.

Mr. Thomas C. Marks
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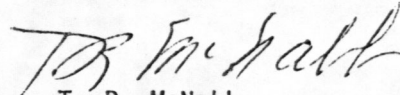
With three units of governments involved in the operation and maintenance of this new facility, each unit will see to it that they are not paying more than their fair share of its operation and maintenance. Further, there will be no large industrial users of the plant at this time as there are no large industries in the area that will have wastewater processed through the plant. Therefore, the UCS and the ICRS are only academic at this point in time.

Our past history of operating a water and sewer utility would show that we budget the necessary funds to not only operate and maintain the plant but, also, we provide yearly Capital Outlay funds for all expenditures from the utility.

We are proposing that the reserve fund be set at a maximum of \$250,000 and that \$25,000 be placed in the fund each year until the \$250,000 has been set aside. It is also proposed that the utility continue to fund Capital Outlay expenditures on a yearly basis along with the reserve fund.

I hope at least the majority of the items outlined in your letter of January 18th have been answered by this letter and its enclosures. I feel sure we both have other duties to perform besides this one and I hope to finalize these problems as soon as possible.

Sincerely yours,


T. R. McNabb,
City Manager

TRM:m1

Enclosures

MARQUETTE WASTEWATER TREATMENT FACILITY
ADVISORY BOARD MINUTES

A regular meeting of the Wastewater Treatment Advisory Board was held on January 10, 1979 at 3:30 PM in the Marquette City Commission Chambers.

Present: Chairman Howard R. Swaine
Secretary Thomas R. McNabb
Members: Neil Carlson & Ivan Fende

Robert Taylor, Chocolay Township

Absent: Al Weiland, Marquette Township member

It was moved by Mr. Carlson, supported by Mr. Fende and carried, that the minutes of the previous meeting be approved as submitted.

The following invoices were presented for payment:

Paul A. Laurence Company	\$245,492.93
Closer Construction Co., Inc.	35,684.12
W. A. Porter	40,948.71
Ayres, Lewis, Norris & May, Inc.	23,040.80

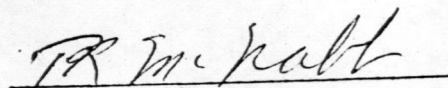
It was moved by Mr. Fende, supported by Mr. McNabb and carried, that the invoices as shown above be paid.

The secretary discussed with the board members the status of the complaint filed by the Brumm Construction Company and the O'Dovero Construction Company. The attorney representing both the board and the complainants have been discussing the matter by phone. At this time EPA has not rendered an opinion concerning the complaint.

The secretary informed the board that the building permit which was paid under protest by the board is now being reviewed by the County Environmental Committee. The final disposition of this matter will be handled by the Marquette County Board of Commissioners following a report to them by their Environmental Committee.

The secretary discussed with the board members the Operation & Maintenance Reserve Fund, information concerning the proposed rates for the plant, and the budget process for the 1979-80 budget. The consulting engineers have been working with the secretary to develop figures which must be presented to EPA and approved by them prior to the final adoption of the next fiscal year budget.

There being no further business, it was moved by Mr. Fende, supported by Mr. McNabb and carried, that the meeting be adjourned.



T. R. McNabb,
Secretary