

**CITY OF REED CITY  
REGULAR COUNCIL PROCEEDINGS  
May 8, 2023**

Mayor Meinert called the meeting to order at 6:00 P.M. in Council Chambers, 227 E. Lincoln Avenue, Reed City, Michigan.

- Present** Mayor, Roger Meinert. Council Members: David Belden, Dan Burchett, Trevor Guiles, Russell Nehmer, Nicole Woodside and Brad Nixon. City Attorney, David Porteous and City Manager, Rich Saladin, were also in attendance. Department Heads attending were Curt Brackenrich, Rich Rehkopf, Kadee Kidd, and Fire Chief, Jeff Stein. The meeting was opened with the pledge to the flag. There were citizens in the audience.
- Public Hearing** Public Hearing was opened at 6:01pm to hear and receive citizen's comments on proposed drinking water state revolving fund application system improvements project. No public comments. Public Hearing was closed at 6:01pm.
- Public Hearing** Public Hearing was opened at 6:01pm to hear and receive citizen's comments on 215 E Church Street rezone from R-2 to C-4. No public comment. Public Hearing was closed at 6:01pm.
- Public Hearing** Public Hearing was opened at 6:02pm to hear and receive citizen's comments on the proposed 2023 -2024 fiscal year City of Reed City Budget and millage rates. No public comment. Public hearing closed at 6:02pm
- Agenda** Motion by Guiles, seconded by Nehmer, **CARRIED**, to approve the agenda as presented with noted change to add initial as sold documents under sales agreement of the new tender fire truck. Affirmed by voice vote.
- Minutes** Motion by Woodside, seconded by Belden, **CARRIED**, to accept the minutes of the April 10, 2023, special meeting as presented. Affirmed by voice vote.
- Minutes** Motion by Nixon, seconded by Woodside, **CARRIED**, to accept the minutes of the April 10, 2023, regular meeting as presented. Affirmed by voice vote.
- Minutes** Motion by Nehmer, seconded by Burchett, **CARRIED**, to accept the minutes of the April 19, 2023, special meeting as presented. Affirmed by voice vote.
- Minutes** Motion by Belden, seconded by Woodside, **CARRIED**, to accept the minutes of the April 24, 2023, special meeting as presented. Affirmed by voice vote.
- Bills** Motion by Belden, seconded by Nehmer, **CARRIED**, to approve paying bills as presented for payment for a grand total approved amount of \$429,900.91. Roll call vote. Voting yes were Nixon, Woodside, Meinert, Guiles, Burchett, Nehmer and Belden.
- Reports** Chief Jeffrey Stein, Fire Dept., Police Chief Christopher Lockhart, Rich Rehkopf, DPW, and Curt Brackenrich, WWTP, filed written reports. Kadee Kidd provided by email, Financial Reports including a Revenue/Expenditure Report as of March 31, 2023.
- CM Rich Saladin complimented Wastewater for taking care of a yogurt spill at Yoplait. Mayor Meinert complimented DPW for helping Refresh RC, for coming in and working on day off.
- Motion by Guiles, seconded by Burchett, **CARRIED**, to approve the Department Head reports as submitted. Affirmed by voice vote.
- New Fire Truck** Motion by Guiles, seconded by Nehmer, **CARRIED**, to accept the Allied/Alexis stainless steel fire truck for \$637,364.00 new sales agreement as presented with the chassis payment of \$209,906 within 10 days of invoicing authorizing city manager and mayor to sign and initial as sold documents. Voting yes were Woodside, Nixon, Meinert, Guiles, Burchett, Nehmer and Belden.

Old Tender 2 Motion by Guiles seconded by Burchett, **CARRIED**, for the Fire Department to accept the bid to sell Pierce Freightliner Pumper old tender for \$50,000 from T-Line EV LLC. Voting yes were Woodside, Nixon, Meinert, Guiles, Burchett, Nehmer and Belden.

Ord 001-2023 Motion by Belden, seconded by Nehmer, **CARRIED**, to approve Ordinance 001-2023 Zoning Map change and rezone for 215 East Church from R-2 to C-4. Roll call vote. Voting yes were Woodside, Meinert, Belden, and Nehmer, voting no were Guiles, Nixon and Burchett.

**CITY OF REED CITY**

**ORDINANCE NO. 001-2023**

**AN ORDINANCE TO AMEND PART 12, TITLE IV, APPENDIX 1, ZONING MAP CHANGES**

The City of Reed City ordains that:

Appendix 1, Zoning Map of the City of Reed City is hereby amended as follows:

Parcel No. 67-52-016-015-00 more fully described as:

SEC 16 T17N R10W PT OF SE 1/4 OF NE 1/4 COM AT INT OF W ROW OF PENN RR & S ROW OF CHURCH ST, TH W 1.13 CHS (74.58 FT), TH S 2.25 CHS (148.5FT), TH E 1.48 CHS (97.68FT), TH N 2.28 CHS (150.48 FT) TO POB .25 A M/L, City of Reed City, Osceola County, Michigan is rezoned from Residential R-2- Medium Density to Commercial C-4 Office District.

The district boundaries of the official Zoning Map of the City of Reed City shall be amended to reflect these changes, and this amendment shall be added to the annotations on the Zoning Map.

**Effective Date: (30)** Thirty days after publication

This ordinance was introduced on April 10, 2023  
by Councilperson **Meinert**.

On the 8th day of May, 2023, upon the motion by Councilperson **Belden**, and seconded by,

Councilperson **Nehmer** this ordinance was adopted.

Voting yeas: **Meinert, Woodside, Belden, and Nehmer**

Voting nays: **Guiles, Burchett, and Nixon**.

Budget Motion by Guiles, seconded by Burchett, **CARRIED**, to adopt Resolution 2023-06 approving the 2023-2024 Budget Resolution for General Special Revenue, Capital Project, Debt Service, Enterprise, and Internal Service fund for the City of Reed City Appropriations Act, set the millages and appropriate the funds a presented. Roll call vote. Voting yes were Belden, Guiles, Woodside, Meinert, Nixon, Burchett, and Nehmer.

**CITY OF REED CITY 2023-2024  
BUDGET RESOLUTION for GENERAL, SPECIAL REVENUE,  
CAPITAL PROJECTS, DEBT SERVICE, ENTERPRISE,  
AND INTERNAL SERVICE FUNDS FOR THE CITY OF REED CITY  
APPROPRIATIONS ACT  
Resolution 2023-06**

At the regular meeting of the City Council of the City of Reed City, County of Osceola, Michigan, held in said City on May 08, 2023.

**PRESENT:** Dan Burchett, Brad Nixon, Nicole Woodside, Russ Nehmer, David Belden, Roger Meinert, and Trevor Guiles.

**ABSENT:** None

The following resolution was offered by Councilperson Trevor Guiles and seconded by Councilperson Dan Burchett.

WHEREAS, in accordance with Chapter 8 of the City Charter of the City of Reed City governing budget procedure and general finance, and in compliance with the requirements of the Michigan Uniform Accounting and Budgeting Act, a balanced budget has been set up for the City of Reed City for the fiscal year of July 1, 2023 through June 30, 2024; and

WHEREAS, a Public Hearing was held on May 08, 2023 on the proposed 2023-2024 City Budget in accordance with the City Charter provisions;

WHEREAS, the Council has determined the amount of money to be raised by taxation necessary for expenditures and liabilities for 2023-2024 fiscal year and has ordered that money to be raised by taxation within statutory and constitutional limitations; and

WHEREAS, the Uniform Budgeting and Accounting Act, Act No. 2 of the Public Acts of Michigan 1968, as amended ("UBAA"), requires that the Council enact a general appropriations act designed to meet City funded expenditures; and

WHEREAS, the Reed City Manager has examined the fiscal requests for 2023-2024 of the various departments, which it must be funded or assist in financing;

**NOW, THEREFORE, BE IT RESOLVED** that the City of Reed City Council hereby adopts the budget and appropriates the following sums for all Funds for the municipal purposes set forth below:

<b>[101] General Fund</b>		
<b>Legislative/Chief Executive/Financial &amp; Tax Administration</b>		
	(101) City Council	\$45,960
	(172) City Manager	\$57,660
	(215) City Clerk	\$86,955
	(223) Other Accounting Activities-Audit	\$ 4,000
	(247) Board of Review	\$ 1,850
	(253) City Treasurer	\$80,060
	(257) City Assessor	\$23,800
<b>General Government</b>		
	(262) Elections	\$ 5,315
	(265) Building and Grounds	\$99,380
	(269) City Properties – Other	\$36,375
<b>Public Safety</b>		
	(301) Police Department	\$520,683
	(332) Snow Mobile Enforcement	\$ 1,320
	(336) Fire Department	\$452,220
<b>Public Works</b>		
	(441) Dept. of Public Works	\$318,600
	(448) Street Lighting	\$ 42,365
	(528) Refuse	\$ 41,650
	(567) Cemetery	\$ 60,940
<b>Recreation/Culture</b>		
	(721) Planning Commission	\$ 1,100
	(751) Parks & Recreation	\$104,755
<b>Other Governmental Functions</b>		
	(851) Insurance/Bonds	\$ 76,140
<b>Contingencies</b>		
	(990) Contingencies	\$ 0
<b>Appropriations</b>		
	(958) Contributions (396 & 402)	\$ 5,000
	<b>Total 2022-2023 General Fund Expenditures</b>	<b>\$2,075,938</b>
<b>[151] Cemetery Trust Fund</b>		
		\$ 1,250
<b>Special Revenue Funds</b>		
	(202) Major Streets	\$1,019,748
	(203) Local Streets	\$21,495
	(208) Park Commission Fund	\$ 3,010
	(267) Law Enforcement Training	\$ 500
	(292) Small Business Revolving Loan	\$ 50,120
	<b>Total Special Revenue Funds</b>	<b>\$1,294,873</b>
<b>Debt Service Funds</b>		
	(397) Fire Bldg. Dept.	\$ 36,500
	<b>Total Debt Service Funds</b>	<b>\$ 36,500</b>
<b>Capital Projects Funds</b>		
	(402) Equipment Replacement	\$ 7,020
	(446) Fire Equipment Replacement	\$ 45,000
	<b>Total Capital Projects Funds</b>	<b>\$ 52,020</b>
<b>Enterprise/Internal Service Funds</b>		
<b>[590] Sewer Fund</b>		
Dept.	(535) Administration	\$109,475
	(543) Operation & Maintenance	\$1,027,830
	(548) Collection System	\$103,780
	(564) Meter Reading	\$ 15,640
	(586) Depreciation	\$450,000
	(902) Construction-system	-
	(905) Debt Service	\$ 95,000
	(958) Appropriations-Contributions	\$43,000
	<b>Total Sewer Expenditures</b>	<b>\$1,844,725</b>
<b>[591] Water Fund</b>		
Dept.	(536) Administration	\$101,115
	(542) Water Production	\$35,805
	(564) Meter Reading	\$ 15,170
	(568) Depreciation	\$155,000
	(902) Construction	-
	(905) Debt Service	\$ 14,500
	(958) Appropriations-Contributions	\$ 22,000
	<b>Total Water Expenditures</b>	<b>\$643,600</b>
<b>[661] Equipment Pool Fund</b>		
Dept.	(536) Administration	\$ 5,960
	(982) Maintenance repairs	\$191,099
	<b>Total Equipment Expenditures</b>	<b>\$197,059</b>
	<b>Grand Total 2023-24 Expenditures</b>	<b>\$ 6,345,956</b>

**BE IT FURTHER RESOLVED** that the City Council of the City of Reed City authorizes the levy of 13.9741 (2022) mills on real and personal property within the City of Reed City for municipal operating purposes.

**BE IT FURTHER RESOLVED** that the City Council of the City of Reed City hereby authorize the levy of .6000 mills on real and personal property within the City of Reed City for the Fire Department Building Debt Service Fund.

**BE IT FURTHER RESOLVED** that the City Council of the City of Reed City does hereby direct the Assessor for the City of the City of Reed City to spread upon the tax roll the levies necessary for municipal purposes and does hereby authorize the City Treasurer to collect such taxes.

**BE IT FURTHER RESOLVED** that the City Manager is hereby authorized to make budgetary transfers within the funds/departments in accordance with the fund/departamental totals established through this budget, and that all other transfers may be made only by further action of the City Council, pursuant to the provisions of the Michigan Uniform Accounting and Budgeting Act.

This Resolution shall become effective July 1, 2023. This Resolution may be amended by the City Council at any time and any appropriations made hereunder may be increased or decreased in the Council's decision.

The Resolution and attachments as incorporated by reference herein and all amendments hereto shall constitute the 2023-2024 General Appropriations Act of the City of Reed City, Osceola County, Michigan.

**BUDGET ADOPTED WITH APPROPRIATIONS:**

**YEAS:** Nixon, Meinert, Guiles, Burchett, Nehmer, Belden, Woodside

**NAYS:** None

2023-09 WWTP Motion by Guiles, seconded by Woodside, **CARRIED**, to accept Resolution 2023-09 as presented. Roll call vote. Voting yes were Belden, Guiles, Woodside, Meinert, Nixon, Burchett, and Nehmer.

**A RESOLUTION TO TENTATIVELY AWARD  
A CONSTRUCTION CONTRACT  
FOR WASTEWATER SYSTEM IMPROVEMENTS**

**Resolution No. 2023-09**

**WHEREAS**, the City of Reed City wishes to construct improvements to its existing wastewater treatment and collection system; and

**WHEREAS**, the Wastewater Treatment Plant and Collection System Improvements will be partially funded by a grant through the American Rescue Plan – State Revolving Fund administered by the Michigan Department of Environment, Great Lakes, and Energy; and

**WHEREAS**, the Wastewater Treatment Plant and Collection System Improvements will be partially funded by an Economic Development and Workforce Grant from the State of Michigan; and

**WHEREAS**, the Wastewater Treatment Plant and Collection System Improvements may be partially funded by a Michigan Economic Development Corporation (MEDC) Community Development Block Grant (CDBG) Water-Related Infrastructure (WRI) grant; and

**WHEREAS**, the City of Reed City has sought and received construction bids for the proposed improvements and has received a low bid in the amount of \$22,489,142 from EV Construction Co; and

**WHEREAS**, the project engineer, Fishbeck, has conducted a bid evaluation and provided the City of Reed City with a summary of the bid evaluation findings.

**NOW THEREFORE BE IT RESOLVED**, that the City of Reed City tentatively awards the contract for construction of the proposed wastewater system improvements project to EV Construction Co, contingent upon successful financial arrangements through the American Rescue Plan, the State of Michigan or the MEDC such that the total project funding equals or exceeds \$22,498,142 with written authorization from MEDC.

**BE IT FURTHER RESOLVED**, that the City Manager, a position currently held by Rich Saladin, is designated as the authorized representative for all activities associated with the project, including executing the necessary agreements for funding through the American Rescue Plan, with the State of Michigan and with the MEDC, and including the construction contract with EV Construction Co.

Yeas: **Guiles, Nixon, Woodside, Belden, Burchett, Meinert, and Nehmer**

Nays: None

Abstain: None

Absent: None

CM Evaluation

City Manager evaluations were sent out to all council members and sent back to council person Guiles; he sent out to the council. All evaluations were satisfactory or above. Most of them were exceedingly satisfactory.

City Manager Saladin would like to see any personal notes, comments and feedback that was on evaluations. Feedback from Department heads was excellent, and no one had any problems. Councilmembers comments were: Mr. Saladin is doing a great job and his presence in Reed City and in the community. Stellar commitment to the City of Reed City even outside of the job requirements. What has been accomplished in a year and a half with the leadership of Mr. Saladin has been amazing and has far exceeded expectations.

Natron Dam Motion by Guiles, seconded by Nehmer, **CARRIED**, to approve Resolution 2023-07 to support Muskegon River Watershed Assembly to remove the Natron Dam with edits to resolution. Affirmed by voice vote.

**CITY OF REED CITY  
RESOLUTION TO SUPPORT MUSKEGON RIVER WATERSHED ASSEMBLY  
TO REMOVE THE NARTRON DAM**

**Resolution No. 2023-07**

**WHEREAS**, In the interest of downstream city property and infrastructure protection, improved public safety, general watershed improvement, and in accordance with the property owners desire for same; and

**WHEREAS**, City of Reed City so indicates its support for the removal of the Nartron Dam and related Hersey River restoration efforts, to be overseen and managed by the Muskegon River Watershed Assembly; and

**WHEREAS**, the project would be created and managed by the City through a collaboration with Scott Faulkner, Executive Director of Muskegon River Watershed.

**NOW, THEREFORE, BE IT RESOLVED**, that the Reed City Council does hereby indicates its support for the removal of the Nartron Dam and related Hersey River restoration efforts, to be overseen and managed by the Muskegon River Watershed Assembly.

Ayes: **Nixon, Woodside, Burchett, Nehmer, Guiles, Meinert, and Belden**

Nayes: None

Absent: None

Abstain: None

DWSRF Scott Rasmussen gave a presentation on DWSRF gave council a fact sheet highlighting proposed alternative of the DWSRF Project Plan City of Reed City Water Distribution Improvements.  
\*exhibit a

Resol 2023-08 Motion by Guiles, seconded by Woodside, **CARRIED**, to adopt Resolution 2023-08 as presented a final project plan for water system improvement & Designing and Authorizing City Manager as Project Representative. Affirmed by voice vote.

**CITY OF REED CITY  
Resolution No. 2023-08**

**A Resolution Adopting A Final Project Plan  
For Water System Improvements And  
Designating An Authorized Project Representative**

**WHEREAS**, The City of Reed City recognizes the need to make improvements to its existing water treatment and distribution system; and

**WHEREAS**, the City of Reed City authorized Fleis & VandenBrink to prepare a Project Plan Amendment, which recommends the following construction of one supply well, various watermain, water service lines, water meters, water tank improvements, and other ancillary upgrades;

**WHEREAS**, said Project Plan Amendment was presented at a Public Meeting held on May 8, 2023 and all public comments have been considered and addressed;

**NOW THEREFORE BE IT RESOLVED**, that the City of Reed City formally adopts said Project Plan Amendment and agrees to implement the selected Alternative 3B.

**BE IT FURTHER RESOLVED**, that the City Manager of Reed City, a position currently held by Richard Saladin, is designated as the authorized representative for all activities associated with the project referenced above, including the submittal of said Project Plan as the first step in applying to the State of Michigan for a Drinking Water State Revolving Fund Loan to assist in the implementation of the selected alternative.

Yeas: **Burchett, Nixon, Woodside, Nehmer, Belden, Meinert, and Guiles.**

Nays: None

- Music/Depot Motion by Meinert, seconded by Guiles, **CARRIED**, to give authority to the City Manager with support of Chief of Police to delegate authority of noise order ordinance using amplifier for events going on for parks, depot and places within the city through March 31, 2024. Affirmed by voice vote.
- Praise in Park Motion by Meinert, seconded by Burchett, **CARRIED**, to allow Praise in the Park using an amplifier at Rambadt Park starting on Memorial Day weekend through Labor Day Weekend on Sundays at no cost. Affirmed by voice vote. Guiles Abstained in voting.
- Bridge Work Motion by Meinert seconded by Burchett, **CARRIED**, to approve the alternate map the State of Michigan presented in packet for route change when the state works on Chestnut Bridge. Affirmed by voice vote.
- Steet Close Motion by Burchett, seconded by Nehmer, **CARRIED**, to allow RC Brewery to close street for annual street party on July 1, 2023, and September 30, 2023, and allow band to play until 11:00pm Affirmed by voice vote.
- Consent Motion by Guiles, seconded by Woodside, **CARRIED**, to approve the Consent Agenda as presented. Affirmed by voice vote.

- Music/Depot Motion by Meinert, seconded by Guiles, **CARRIED**, to give authority to the City Manager with support of Chief of Police to delegate authority of noise order ordinance using amplifier for events going on for parks, depot and places within the city through March 31, 2024. Affirmed by voice vote.
- Praise in Park Motion by Meinert, seconded by Burchett, **CARRIED**, to allow Praise in the Park using an amplifier at Rambadt Park starting on Memorial Day weekend through Labor Day Weekend on Sundays at no cost. Affirmed by voice vote. Guiles Abstained in voting.
- Bridge Work Motion by Meinert seconded by Burchett, **CARRIED**, to approve the alternate map the State of Michigan presented in packet for route change when the state works on Chestnut Bridge. Affirmed by voice vote.
- Street Close Motion by Burchett, seconded by Nehmer, **CARRIED**, to allow RC Brewery to close street for annual street party on July 1, 2023, and September 30, 2023, and allow band to play until 11:00pm Affirmed by voice vote.
- Consent Motion by Guiles, seconded by Woodside, **CARRIED**, to approve the Consent Agenda as presented. Affirmed by voice vote.
- City Manager Rich Saladin submitted a written report and highlighted the following:
- Summer Saturday's dates set with social district open as well as Art in Park. All promoted on Facebook and will be in newsletter.
  - Planning Commission meet and approved site plan for revamp of Motel on South Chestnut. Plan is nice will be a welcome addition to Reed City.
  - Projects are getting worked on that have been on the back door. Reed City is sitting in a pretty good position because of this. Reed City is above most cities.
- Mayor Report:
- Thank you to all that helped at Refresh Reed City. City is looking wonderful.
  - Reminded Trevor Guiles he is appointed to review bills prior to the May council meeting.
- Council Dan Burchett: Thank you to Mayor Meinert for helping with disc golf course. Course is looking great.  
Trevor Guiles: Inviting any men out on May 20, 2023, for Bullets and BBQ range at the church at 2-3.
- Adjourn Mayor Meinert adjourned the meeting at 7:25 P.M.

Amye Hensel, City Clerk

# PROJECT PLAN FACT SHEET

## PUBLIC MEETING TO DISCUSS THE PROPOSED ALTERNATIVE OF THE DWSRF PROJECT PLAN CITY OF REED CITY WATER DISTRIBUTION IMPROVEMENTS

### Why are we here?

The City of Reed City submitted an intent to apply to the State of Michigan's Department of Environment, Great Lakes, and Energy's (EGLE) Drinking Water State Revolving Fund (DWSRF) FY24 funding program. The next step is completing a project plan amendment for the FY23 project plan that was prepared. The amendment will provide a more in-depth outline of a project to improve the performance and operation of the water distribution system. The City Council will receive and address public comments, if necessary, and determine if the Council will adopt a resolution that approves the project plan amendment. Once submitted, EGLE will score the project against all applicants and propose financial terms for an agreement, if within the fundable range.

### What issues is the City looking to address?

- Aged watermain needs replacement and upsizing to meet minimum capacity and reliability.
- Consolidate a nearby Type I water supply by extended new watermain to White Birch Estates.
- Replace Well No. 3 to bring improved water supply reliability.
- Replacement of water service lines to improve water distribution and eliminate potential sources of contamination.
- Replacement of the water meters system wide.
- Perform recommended improvements to the storage tower on 225<sup>th</sup> Avenue.

### What alternatives were considered?

- **Alternative 1B: No Action** - The "No Action" alternative would maintain current system operations. Aging equipment would continue to deteriorate until ultimate failure, which could result in compliance problems, more costly fixes, and risks the ability of the City to provide reliable water distribution services to customers. This alternative does not meet the project objectives.
- **Alternative 2B: Regionalization** – Connect the City's water distribution system to a nearby public water system. The nearest public water system is in the City of Big Rapids. Approximately 11.5 miles of watermain would be required to transport the water to the City of Reed City, and a capacity purchase or upgrade of the City of Big Rapid's water distribution system would be required. The existing water distribution system improvements within would still need to be completed to provide reliable service to the residents. Thus, the regional alternative is not feasible and will not be evaluated further as a principal alternative.
- **Alternative 3B: Critical Supply and Distribution System Improvements** – Make improvements to the existing system to improve safety and reliability, as well as the necessary upgrades to the watermain, water storage, and service lines. Alternative 3 is the only alternative that met the project objectives. This alternative was reviewed further for effectiveness, reliability, constructability, environmental impacts, and cost effectiveness. More details will be discussed below.

### What is the scope of the recommended project?

The water distribution system improvements consist of replacing some of the aged watermain and undersized watermains in the city, replacement of Well No. 3, replacement of water meters system-wide, and replacement of watermain service lines. The watermain replacement totals to 7,850 lineal feet of watermain on various streets to replace undersized, aged, and unreliable watermain. The remaining 230 out of the estimated 350 total water service lines are to be replaced that are suspected to contain lead or once were connected to lead. Installation of a new municipal well to replace Well No. 3. The current water meter system is outdated and will be replaced system wide.



**How much would this cost?**

- Total Estimated Project Cost: \$9,949,000.
  - Includes: design, construction, administrative and legal fees, contingencies, etc.
- User costs will be based on financing determined by EGLE later in the project planning stages.
- Reed City is anticipated to be identified as an “Overburdened” community.
  - Qualifies for up to a 40-year term at a 2.75% interest rate.
- Principal forgiveness can vary between 0% to 50% (typically) with up to 100% for FY24 only.
- The proposed method of funding is a Revenue Bond.

Item No.	Item Description	Est. Total
1	Watermain Replacement – Franklin Avenue	\$782,000
2	Watermain Replacement – Roth Street	\$558,000
3	Watermain Replacement – Sear Street	\$438,000
4	Watermain Replacement – Church Avenue	\$770,000
5	New Watermain Install – US-10	\$458,000
6	Well No. 3 – Replacement	\$1,200,000
7	Lead Service Line Replacements	\$2,142,000
8	Replace System-Wide Meters	\$874,000
9	Water Tower Improvements	\$327,000
<b>Construction Subtotal (Inc. 10% Contingency)</b>		<b>\$8,304,000</b>
Application, Survey, Design, Engineering, Legal, Bonding, Admin, etc.		\$1,645,000
<b>Total Estimated Project Cost</b>		<b>\$9,949,000</b>

Principal Forgiveness	Amount Financed	Annual Payment	Cost/REU/Month
0%	\$9,949,000	\$413,197	\$21.09
25%	\$7,462,000	\$309,908	\$15.81
50%	\$4,975,000	\$206,619	\$10.54
75%	\$2,488,000	\$103,330	\$5.27
100%	\$0	\$0	\$0.00

Assumptions: \$9.949M project 40-year loan; 2.75% interest rate; 1,633 REUs

**When would this project happen?**

- Project plans and amendments for the DWSRF FY24 program are due to EGLE by June 1<sup>st</sup>, 2023.
- It is anticipated that final financial terms will be offered in the Fall of 2023.
- If the City chooses to move forward, design will begin in the Fall of 2023.
- Construction contracts would be awarded and may commence in late 2024 (Q4).

**How would this impact residents?**

Minimal impact to residents is anticipated as water services will be maintained, and construction work will still allow for traffic flow. No significant environmental impacts are anticipated from this project. Typical construction related impacts of noise, dust, and traffic detours may be experienced during the construction period. The cost of the project is reimbursed through the life of the debt through customers’ water billings.

**What are the next steps?**

Adoption of the resolution to approve the project plan and submittal of the project plan to EGLE do not obligate the City to implement the project listed above. The City may choose to implement the project once financing terms have been offered by EGLE in the Fall of 2023.