



Capital Improvements Committee

October 31, 2017

MEETING SUMMARY

A meeting of the Capital Improvement Committee of Oshtemo Township was held on Tuesday, October 31, 2017 at 1:00 pm in the north conference room of Oshtemo Township, 7275 West Main Street, Kalamazoo, Michigan. Persons in attendance included Dave Bushouse, Dusty Farmer, Nancy Culp, Marc Elliott, Dick Hertzell, Tim Mallett, Jim Porter, Jamie Baker, Tom Wheat, Mark Worden and Bernie Mein (arriving late).

1. Welcome/Introductions/Call to Order: Dave Bushouse called the meeting to order and welcomed members and guests.
2. Meeting Summaries: The meeting summary for the April 18, 2017 meeting was reviewed and approved by members upon motion by Mallett and support by Culp.
3. Capital Improvement Plan (draft): Marc Elliott briefed the committee on the current Capital Improvement Plan (CIP) draft. The [draft plan](#) was made available to members in advance of the meeting through the Oshtemo website. The draft CIP provides a detailed plan and budget for sewer and water extensions, non-motorized facilities, road maintenance, parks improvements, and fire equipment. The draft CIP will be considered for approval by the Township Board on November 14, 2017. No additional member comments or recommendations for the plan were brought forward.
4. USDA Rural Development Grant for Sewer Extensions: A display copy of the grant/loan submittals was brought to the meeting. Elliott briefed the committee on the status of the USDA Rural Development loan to extend sewer into the older, more established neighborhoods in the Township. The Township received tentative commitment from the USDA to provide funding assistance for the 2018-2019 project of about \$9 million. Two subsequent phases will be needed to complete all of the sewer projects. The USDA has stated that we are eligible for some grant money in lieu of loans; however, the exact amount will not be known until the USDA completes their underwriting process.
5. SAW Grant: Elliott briefed the committee on the Storm and Wastewater (SAW) grant for 2018. The Township received a notice of commitment from the MDEQ stating that we would be funded in 2018 for \$634,365 over a three year period. The grant will be used to assess the physical condition of the sanitary sewer systems in the Township and develop an asset management plan. The program submittals for this project were also put onto the Township's public web site for members review in advance of the meeting.

6. Sewer and Water Fees, 2018: Elliott briefed members on marked up versions of the sewer and water fees policy documents. This discussion was further supplemented by spreadsheet information distributed by Wheat. Tables of actual capital-cost and fee recovery options were compared on these worksheets. Wheat had reviewed current, bid project costs for Oshtemo's and similar utility projects for Kalamazoo area clients. The spreadsheets displayed alternative fee schedules for both water and sewer and evaluated the extended to which the fees would recover true costs. Upon member review a unanimous consensus emerged for new fees as recommended. The first change was to incorporate current construction costs into the fees requiring a modest 6.3% increase for sewer; however, a 25% increase is needed for water. A second change in the water fees increases the length of payment plan from 15 years to 20 years, and reduces the interest rate from Prime + 2% to Prime + 1%. These changes are consistent with changes already Board approved for the sewer fees. The third change to the water fees is to stop collecting the curb stop installation inspection fee and reduce the cost of the curb stop installation from \$2,050 to \$1,700. The \$350 City of Kalamazoo inspection fee will be paid by the resident directly to the City.

During discussion of the above materials, it was discovered that the sewer fees did not address the potential scenario for Oshtemo-built, interior, cross-country sewers. Another formula was required because the fee should be based on lineal foot (center line) rather than frontage as there was no, dual-side, separate ownership frontage. Members directed staff to proceed with crafting appropriate language and fee-rate for this situation. The approach is to generally mirror that which is currently applied for water.

7. Mandatory Sewer Connection Notifications: The meeting notice to CIC members included a web link to reference and educational resources developed by staff in support of the forthcoming formal distribution of mandatory connection notices. The Oshtemo Board has approved a letter for distribution as a notice of mandatory connection requirement for properties with access to public sewer service. The Public Works Department intends to start with the new 10th St sanitary sewer service area.

8. 2017 Construction Project updates: Staff briefed members and welcomed further discussions on the other capital infrastructure projects underway in Oshtemo:

- North 10th St, Sanitary Sewer, Sewer Pump Station, and Road Improvements
- KL Avenue Sanitary Sewer
- KLA Group Water (W J Ave, N 2nd St, Rosemary Ln, and Josiane Dr)
- Drake Road Non-Motorized Facility (easement acquisitions)
- RCKC Partnership-based "PAR" 2017 Roadway Maintenance Projects

9. 2018 Roadway Projects: Staff briefed members on the initial selection of primary and local road maintenance projects for 2018. A draft illustration of 2017 Paser data which Oshtemo received from Grand Valley Metro Council was distributed at the meeting. It was noted that RCKC and Oshtemo staff will work to further prioritize recommended projects for CIC review at the next scheduled meeting. Based upon a casual review of the illustration, roadways for project consideration would include:

- Quail Run Drive between 9th St and Partridge Lane
- W H Ave, between 5th and 6th Streets
- Crystal Lane

- Penny Lane
- Boyce Drive, Emneth Ave, and Cotswold St (Essex Hills plat)
- Fairgrove St and Crossbend Ct
- S 4th St between Woodlawn and Township border
- Antiqua Circle, Tropicana St, Brandy Ave, and Fountain Square Drive (Rose Arbor plat)

10. Misc. Capital Projects Updates & Information: Staff briefed members and welcomed further discussions on the other capital infrastructure projects underway in Oshtemo.

- Autumn Grove Condominiums, N 9th St (sewer & water)
- Holiday Inn & Holiday Express, Westgate development off Maple Hill Dr (sewer & water)
- Kalamazoo Storage, Stadium Drive (water)
- Latitude 42, W Main St (water)
- Memory Care, Stadium Drive (water)
- National Flavors, Stadium Drive (water)
- Old National Bank, The Corner @ Drake (water)
- One-Way Products, KL Ave (water)
- Sky King Meadows 3 Condominiums, off Buckham Wood Drive (sewer & water)
- Trader Joes, The Corner @ Drake, (sewer & water)
- Walnut Woods, W Main St (reconstruction with water main relocation)
- Weathervane, S 9th St (water)
- West Pointe Condominiums (phase 2), N 10th St (sewer & water)
- West Port Village Condominiums (phase 2), W H Ave (sewer & water)

11. Departmental Goals for 2018, et al.: Elliott briefed the committee on the Public Works Department 2017 accomplishments and 2018 goals. There were no comments.

12. Member Comments and Information Items: No further comments were presented.

13. Next Meeting: The next regularly scheduled meeting of the CIC for Oshtemo is January 16, 2018 at 1:00 pm.