



7275 W. MAIN STREET
KALAMAZOO, MI 49009
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www.oshtemo.org

Capital Improvements Committee

VIRTUAL ZOOM MEETING
Tuesday, November 16, 2021
1:00 P.M.

Welcome/Introductions/Call to Order. Present: Libby Heiny-Cogswell, Bernie Mein, Matt Johnson, Clare Buszka, Phil Doorlag, Marc Elliott, Dick Skalski, Mark Worden, Anna Horner, Ryan Russell

Meeting Summary. Motion by Mein Second by Buszka to accept the summary of the CIC Meeting held Tuesday, October 15, 2021.

USDA Phase I & II Sewer Expansions Update. Updates included status of various Phase I permits (RCKC, MDOT, EGLE), anticipated schedule (advertise bids first week in December, open bids week Jan. 10), no proposed changes to scope only to contract structure (alternate of 7th St lift station portion for potential to bid with other funding.

The 2022 Budget. On November 9th a Public Hearing on the proposed 2022 Township Budget was held and the Board voted unanimously to adopt. Highlights for Public Works in 2022 include new road fund, including road economic development plans, Twp infrastructure coordination with RCKC projects, and non-motorized projects.

The 2022 Capital Improvement Plan. Approved by the Board on October 12 prior to final determination of petitions. Any updates and adoption on hold.

Kalamazoo Regional Water & Wastewater Commission (KRWWC). History of group is attached.

Other information about UPC is hosted here: <https://www.kalamazoocity.org/docman/boards-commissions/utility-policy-committee>

Supervisor Heiny-Cogswell explained the KRWWC is about as close to a utility authority as local agencies can get and even with transition of certain roles with UPC now in place from water contract, the KRWWC will continue to play important role. The KRWWC drove the effort for consideration of all parties and a balance between City and other users. The Wastewater contract is currently held up.

American Rescue Plan. Oshtemo estimated \$2.4 million in funding (early projections from CPA that large portion would be unrestricted). Board considering options and different ways to facilitate public input. There were other updates provided for anticipated increases in funding sources (PAR and STP) based on new census data.

Member Comments & Information Items.

An update on the 2021 Sidewalk projects was provided.

Discussion on material procurement challenges with supply chain and pandemic. Advantage of bidding in December if Contractor could order with ample lead time and stockpile if necessary keeping with funding requirements.

2022 Meeting Dates. Group consensus was more than quarterly meetings were needed and agreed to schedule monthly for 3rd Tuesday and cancel as needed.

**Kalamazoo Regional Water & Wastewater Commission
c/o Charter Township of Oshtemo
7275 West Main
Kalamazoo, Michigan 49009**

Chair: Libby Heiny-Cogswell < libbyhc@oshtemo.org > (269-375-0487)

Director: Rich Pierson < rp5343@yahoo.com > (269-998-4587)

Assistant Director: Tim Hudson < thudson5653@charter.net > (269-384-5113)

**Membership: Alamo Township; Brady Township; Charleston Township; Comstock
Charter Township; Cooper Charter Township; Kalamazoo Charter Township;
Oshtemo Charter Township; Pavilion Township; Richland Township; Ross Township
Schoolcraft Township, Schoolcraft Village; Texas Charter Township**

OVERVIEW PROVIDED TO THE UTILITY POLICY COMMITTEE (“UPC”) 11.10.2021

“Regional Commission” Overview:

Background: At the October 14th Utility Policy Committee meeting, several references to the “Regional Commission” were made, and UPC member Jim Escamilla asked who or what is the Regional Commission.

In this context, this overview of the history of the Kalamazoo area Water & Wastewater Systems in relation to the creation of the Kalamazoo Regional W & WW Commission (aka: “Regional Commission”) is provided to the UPC for their use and information:

- 1910-1920: Water service was 1st extended outside of the City limits
- 1940: Water Franchise with Kalamazoo Township approved
- 1960: Water Franchises with several additional Township’s approved – 30-year
- 1960: Wastewater: City of Kalamazoo modified its policies to allow out-city wastewater (paper mills) to utilize the wastewater plant, followed by a “regionalization” of the wastewater plant and major pipes to service outside City jurisdictions
- 1970: Wastewater (and Water) pipes continued to be extended into the adjacent Township areas
- 1980: Wastewater: Regional Wastewater Plant was constructed (\$110 Million with \$90 million in grants)
- 1980: Wastewater contracts entered into with (16) out-City municipalities
- 1986: WW lawsuit over rates filed by 4-Townships + Gull Lake Sewer / Water Authority
- 1988: WW Settlement created a “Wastewater Advisory Board” with several additional provisions
- 1990: Water franchises expired. City continued to provide service outside City limits.
- 1996: Wastewater: Kalamazoo City had accumulated Wastewater Cash reserves over \$35 million
- 1996: WW lawsuit over rates + reserves filed by Portage

- 1998: WW Settlement with Portage, returning \$9 million to outside City rate payers (over 20 years) plus a number of other provisions; including stabilizing the rate-of-return charged (to outside users) to be 3% above T-bill, plus requiring a “true-up” of the rate calculation based on actual costs every two years.
- **1998: Kalamazoo Regional Water & WW Commission was created by intergovernmental agreement with 11 outside City municipalities.** The Regional Commission is governed by its member Townships which purchase Water and or Wastewater Services from the City. The Regional Commission is the vehicle by which the Townships collectively make decisions regarding water and wastewater matters including the appointment of the Township’s representatives on the UPC.
- 2002: Wastewater: City of Kalamazoo joined the Regional Commission to work towards a “regional governance” wastewater solution
- 2005: Wastewater: Regional governance efforts failed to materialize
- 2007: Water: Negotiations began on a new Water Agreement for 8 outside municipalities (water franchises/contracts had all expired)
- 2008: Negotiations stalled over water rate language – as Regional Commission began researching rate differentials between in-city and out-city rate payers and discovered alleged water rate abuses;
- 2010: Regional Commission amended its Intergovernmental Agreement with the Townships to exclude the City of Kalamazoo
- 2010: Regional Commission filed a Freedom of Information Act request to access the Water & Wastewater rate models and rate information.
- 2011: Regional Commission filed legal action to access the W & WW rate models and rate information.
- 2013: Court ordered the City of Kalamazoo to provide the rate models and rate information, plus pay legal fees of the Regional Commission from 2011 – 2013 in this matter.
- 2014: Litigation filed: (9) Townships plus both Gull Lake + South County Sewer & Water Authority’s filed a Water & Wastewater Class Action Lawsuit against the City of Kalamazoo
- 2014: City and Townships agreed to set aside the lawsuit (with tolling agreement regarding damages) to negotiate new Water & Wastewater Agreements (water to be negotiated first)
- 2014: Water: Negotiations began on a new Water Agreement between the Parties
- 2021: Water: Final work completed on a new multi-jurisdictional Water Agreement including the creation of the Utility Policy Committee, with 4 UPC members appointed by the Townships and 3 members appointed by the City.
- 2021: Wastewater: Regional Commission requested updated rate modeling and rate analyses from City. City has not yet provided complete access to the information requested.
- 2021: Wastewater: Awaiting City response to numerous requests to begin wastewater negotiations

11.7.2021:

Prepared by R. Pierson, Director + Tim Hudson, Asst. Director (rp5343@yahoo.com)
 Kalamazoo Regional Water & Wastewater Commission (thudson5653@charter.net)