

**ANN ARBOR CHARTER TOWNSHIP
BOARD OF TRUSTEES MEETING
MINUTES OF MEETING - MONDAY, JUNE 19, 2023
TOWNSHIP OFFICES
3792 PONTIAC TRAIL, ANN ARBOR, MI**

I. CALL TO ORDER, ESTABLISH QUORUM

Supervisor O’Connell called the Ann Arbor Charter Township Board of Trustees meeting to order at 7:32pm on June 19, 2023.

Present: Supervisor Diane O’Connell
Clerk Rena Basch
Treasurer Carlene Colvin-Garcia
Trustee John Allison
Trustee Michael Moran
Trustee Kristine Olsson
Trustee Rodney Smith

Absent: None

Also Present: Township Attorneys Alex Dieck and Sinéad Redmond, Utilities Director Rick Judkins, Fire Chief Mark Nicholai, Township Engineer Eric Humesky

II. APPROVAL OF BOARD of TRUSTEES MINUTES

A. Regular Meeting May 15, 2023

MOTION by Olsson, support by Moran, to amend and approve the May 15, 2023 meeting minutes as follows:

- p. 11, last bullet point, 2nd line, change to read: “. . . found at deeper aquifers wells.”
- p. 11, last bullet point, 4th line, change to read: “. . . March, 2020 . . .

Motion passed unanimously by voice vote.

B. Special Meeting Open Session May 22, 2023

Motion by Allison, support by Colvin-Garcia, to approve the May 22, 2023 special meeting open session minutes as presented. Motion passed unanimously by voice vote.

C. Special Meeting Closed Session May 22, 2023

Motion by Olsson, support by Moran, to approve the May 22, 2023 special meeting closed session minutes as presented. Motion passed unanimously by voice vote.

D. Special Meeting May 24, 2023

Motion by Basch, support by Colvin-Garcia, to approve the May 24, 2023 special meeting minutes as presented. Motion passed unanimously by voice vote.

III. CITIZEN PARTICIPATION

U.S. Representative Debbie Dingell, Michigan 6th District, updated the Board on continuing conversations with the EPA regarding the Gelman plume, the most recent consent decree, ongoing EPA testing, etc. Representative Dingell will host a Community Update Forum with representatives from the Environmental Protection Agency (EPA), Michigan Department of Environment, Great Lakes, and Energy (EGLE), Michigan Attorney General, and State and Local elected officials on Wednesday, June 28, 2023, 5:30pm, at the Learning Resource Center, 4135 Washtenaw Ave., Ann Arbor.

IV. APPROVE THE AGENDA AND CONSENT AGENDA

- A. Claims Listing 05-11-23 to 06-14-23 for \$996,938.50.**
- B. Approve Michigan Municipal League Worker's Compensation Fund Policy Premium 1st payment of \$13,675.00.**
- C. Approve the Appointment of Randy Perry to the Ann Arbor Township Planning Commission.**
- D. Sixth Amendment to Agreement for Use of a Portion of Domino's Farms Office Park for Athletic Practice Only by Father Gabriel Richard High School Athletic Teams**
- E. AZ-2-23 Request for Release for Annexation 3701 Riverside Dr, I-09-35-426-004 and -005 by Karen Le Gassick, Probate Court authorized Personal Representative, in order to connect to City of Ann Arbor sewer.**

MOTION by Colvin-Garcia, support by Allison, to approve the Agenda and Consent Agenda as presented. Motion passed unanimously by voice vote.

V. ANNEXATIONS, ORDINANCES, ZONING, RESOLUTIONS

- A. Strategic Plan for City of Ann Arbor Water Treatment Plant – Karen Sikkenga, Huron River Group**

Community Engagement Consultant Karen Sikkenga, Huron River Group, was present on behalf of the Ann Arbor Water Treatment Plant's facilities planning project. Project Manager Glen Wiczorek, City of Ann Arbor, was also present.

Ms. Sikkenga explained that Ann Arbor Water handled stormwater, wastewater, and drinking water. Tonight's discussion addressed drinking water.

Mr. Wiczorek provided the following information:

- 85% of Ann Arbor drinking water came from the Huron River. Raw water was drawn from Barton Pond. The remaining 15% of raw water came from groundwater wells located at the Ann Arbor Airport in Pittsfield Township. The two sources were blended, treated and distributed to participating communities including Ann Arbor Township.
- The Water Treatment Plant (WTP) Facilities Plan project was in the study phase. The Plan would provide a road map to guide the City and the water plant through the next 50 years of water plant improvements and preparedness. The Plan would set the stage for upcoming capital projects, with the first capital project being in excess of \$100 million. The project would not take place for 4+ years, and the design and construction would take many years beyond that.
- The first main driver for the Plan was the aging infrastructure at the WTP. Much of the original construction from 1938 was still being used, with large concrete tanks in advanced deterioration. Although the water treatment plant was meeting all regulations, more modern equipment and technologies will significantly outperform the existing infrastructure.
- The second main driver for the Plan was preparedness for known and unknown contaminants in the raw water source. Examples were cryptosporidium – a waterborne pathogen whose source could be runoff from livestock fields into the Huron River, PFAS – a chemical contaminant coming from upstream industry sources, and 1,4-Dioxane.
- The EPA was currently issuing draft regulations, and formal, more stringent regulations were forthcoming. WTP technology would have to evolve to be compliant with EPA regulations.
- Ann Arbor installed wells upstream of the water intake to help determine how close the Gelman plume was getting to the raw water source, where the plume might daylight, and where the plume might enter the Huron River.
- Ann Arbor Water was investigating the feasibility and timing of using existing infrastructure complemented with new technologies to create an oxidant that would destroy the 1,4-Dioxane compound.
- 1,4-Dioxane upstream of the raw water source was not an immediate threat, allowing time to budget in to the capital improvements plan the funds for 1) strategic planning, 2) community engagement, and 3) technical recommendations from their consultant, AECOM.
- Ann Arbor Water System stakeholders including Ann Arbor Township had been invited to participate in the strategic plan team process. Guiding plans and goals for the next 50 years were developed through a series of workshops. Participants' review comments were being incorporated for a finalized strategic plan. The plan would be issued publicly and to the Township.
- New softening technologies were being considered to reduce the infrastructure footprint and increase treatment performance, leaving space for future needs.
- A small pilot plant would be used to prove recommendations relative to 1,4-dioxane destruction, PFAS removal, and softening technologies before investing in the larger project.

In response to questions from the Board, Mr. Wiczorek made the following additional points:

- The demand forecast included population growth projections, densification of Ann Arbor's downtown and related vertical construction growth, and the potential for private wells to be replaced with City water due to the spread of 1,4-dioxane. The demand forecast anticipated that there would be 5-10% remaining capacity in 2075.

- The permitted withdraw rate of the WTP from the Huron River was far below historic drought conditions. The Huron River was fed by groundwater and rain. The plan would study climate impacts and address the percentage of withdrawal of the Huron River's total flow.
- Intakes from Barton Pond made withdrawing water from the Huron River possible. The intakes were around 30' deep, and those levels did not exist upstream. Other issues such as ice, vegetation, silt, security, and safety can be addressed at Barton Pond, and not upstream. Construction of a new upstream intake would be a massive undertaking. An investigation into connecting to the GLWA (Great Lakes Water Authority) water system led to cost estimates in excess of \$400 million.
- The project had not yet produced recommendations, tested recommendations, or completed technical memos. Strategic planning and community engagement were the only items completed.

Ms. Sikkenga and Mr. Wiczorek provided the following further information:

- In 2015, the Ann Arbor City Council approved rate increases that accommodated the future \$100 million in costs.
- Most recently City Council had approved a rate increase for the coming fiscal year, in response to added costs of the project. Additional increases might be warranted for costs that weren't yet identified.
- The rate increase had been incorporated for the next six fiscal years. The City would be funding the project through rates and debt, such as traditional bonds. There would be a gap year between the completion of the study and the design construction phase where alternative funding would be identified, such as grants and low interest loans from State and Federal programs. Complete recommendations, cost estimates, and reports were needed for funding applications.

Trustee Olsson asked about "polluter pay" policies for infrastructure upgrades to address 1,4-dioxane and PFAS. Mr. Wiczorek explained that recommendations and cost estimates would be compartmentalized to address funding for each component. When appropriate, some components would utilize court-ordered polluter pay. Infrastructure construction would be timed relative to needs and availability of funds. For instance, if 1,4-Dioxane is not projected to enter the water for 25 years, that infrastructure will not be included upfront.

Trustee Olsson noted that the City is also working on a Source Water Protection Plan ~~from the Huron River Watershed Council that will among other things would~~ address source water protection upstream of the WTP, including prevention of contaminants, forest and wetland protection from and lack of groundwater inputs including habitat destruction through development, and encouraging agricultural best management practices.

Ms. Sikkenga explained that the WTP was committed to having the right voices at the table for this project: City of Ann Arbor rate payers as a whole, major customers including Ann Arbor Township, and equitable engagement to ensure that low income and historically underrepresented people also had a voice.

Ms. Sikkenga said that Supervisor O'Connell's and Utilities Director Judkins' request for representation led the City to expand the strategic planning team to include major customers,

the Huron River Watershed Council, and the Equitable Engagement Steering Committee, among others.

Data was collected from focus groups, tabling events, one-on-one conversations, City-wide surveys, and other forms of outreach on the guiding principles in the strategic planning process and the weighting of criteria in the technical analysis. The data showed that the public overwhelmingly supported access to water regardless of the ability to pay and were concerned about climate preparedness and unknown contaminants.

Mr. Wiczorek noted that the study phase was anticipated to take until 2025.

The Board thanked Ms. Sikkenga and Mr. Wiczorek for their presentation.

B. Request Approval for 2024 Water and Sewer Rates and Connection Fees

Trustee Moran explained the following points:

- A one year look back at actual costs was used as the basis for the decision on setting future water and sewer rates.
- 2022 water rates were \$7.82 per 100 cubic feet of water, and wastewater rates were \$8.39 per 100 cubic feet of water. For the same period, the look-back was for water was \$9.33 per 100 cubic feet of water and the look back for wastewater was \$9.36 per cubic feet of water, which was more than a 15% increase.
- This year the City of Ann Arbor was imposing a 6.9% increase in water rates. To put this in perspective, Consumer Price Index increase was 21.1%.
- The ordinance permits a three-year and a five-year smoothing rate. The Utilities Committee was looking at increasing water storage capacities to handle existing customers, but costs had significantly increased.
- After review, the Utilities Committee was recommending a three-year smoothing rate, but noted that there could be more substantial increases in the future.
- The Utilities Committee recommended setting the water rates at \$8.48 per 100 cubic feet of water, and wastewater rates at \$8.87 per 100 cubic feet of water, which was a 7.07% increase.
- New customers would pay their share of the depreciated value of the infrastructure plus a portion of the current capital outlay needs.
- The Board applied a ½ connection fee discount to encourage new customers, and the Utilities Committee recommended continuing the discount at this time.
- The Utilities Committee recommended raising the water connection fee from \$4,471 to \$5,229 for 1" taps, which was a 17% increase, and no increase in wastewater connection fees, as the connection fees actually decreased last year.

MOTION by Allison, support by Olsson, that the Ann Arbor Charter Township Board of Trustees approve the RESOLUTION ADOPTING WATER AND WASTEWATER SYSTEM RATES AND FEES, dated June 19, 2023. Motion passed unanimously by voice vote.

C. Resolution Approving Stormwater Drainage Easements for Beckwith - Beckwith (Northbrooke North)

Greg Windingland and Amie Ackerman, Lombardo Homes, were present on behalf of this application for stormwater drainage easements.

Township Attorney Dieck summarized the RESOLUTION APPROVING STORM WATER DRAINAGE EASEMENTS FOR BECKWITH, dated June 19, 2023:

- The applicant received Final Site Plan approval at the June 5, 2023 Planning Commission meeting. Among other terms and conditions, the final site plan approval was subject to Board approval of the stormwater drainage easements.
- Beckwith (fka Northbrooke North) is a 13-unit condominium project with three separate outlots. Other than the legal structure, the 16 total units will be run as one subdivision.
- In relation to Northbrooke South, the applicant had donated approximately 153 acres to the Township, now known as the Tilian Farm Development Center. In relation to Beckwith (Northbrooke North), the applicant was now requesting a stormwater drainage easement over the Tilian property, which will include minor work digging a drainage ditch on the Tilian property.
- The applicant's plan was to enter a 433 Agreement with the County Drainage District. Improvements would be dedicated to the County and maintained by the County, and there would be an escrow with the County.
- Township attorneys recommended that prior to the dedication and 433 Agreement, the applicant and Township enter a private agreement (Exhibit A), in which the Township grants the applicant a stormwater drainage easement and limited rights to access the property to construct improvements.
- The Township will dedicate the Drainage District to the County once the improvements are complete and the Drainage District accepts the improvements.

In response to a question from the Board, Township Engineer Humesky explained that the drainage swale was engineered to optimize its location in terms of farm activity.

In response to questions from the Board, Township Attorney Dieck further explained that:

- The applicant was responsible for the costs associated with the drainage district.
- The 433 Agreement will only contemplate the Beckwith development, and will be called the Beckwith Drain Drainage District.
- All stormwater improvements for the entire development will be dedicated to the County. Under the 433 Agreement the County will have maintenance responsibilities.

MOTION by Smith, support by Allison that the Ann Arbor Charter Township Board of Trustees approve the RESOLUTION APPROVING STORM WATER DRAINAGE EASEMENTS FOR BECKWITH dated June 19, 2023. Motion passed unanimously by voice vote.

D. Resolution Approving Farm View Drive and Farm View Court, Private Road Permit - Beckwith (Northbrooke North)

Greg Windingland and Amie Ackerman, Lombard Homes, were present on behalf of this application for a private road permit.

Township Engineer Humesky said that the applicant's private road plan was reviewed during the site plan process. The proposed private road met the Township ordinance requirements, and all required information had been submitted.

Township Attorney Dieck summarized the RESOLUTION APPROVING FARM VIEW DRIVE AND FARM VIEW COURT PRIVATE ROAD PERMIT, (PR-__-23), dated June 19, 2023

- Board approval of the private road permit was a condition of Final Site Plan approval.
- The road would be a Class B road serving the 16 residential lots in this development.
- Ordinance required a private road agreement, which had been negotiated with the applicant, and the applicant would deposit escrow in relation to their overall Final Site Plan.

After discussion and amendment, the following motion was offered:

MOTION by Allison, support by Olsson, that the Ann Arbor Charter Township Board of Trustees approve the RESOLUTION APPROVING FARM VIEW DRIVE AND FARM VIEW COURT PRIVATE ROAD PERMIT (PR-1-23) dated June 19, 2023, with the addition of a reference to the June 15, 2023 Township Engineer's report to Recital F.

Motion passed unanimously by voice vote.

E. Resolution Approving Assignment of PWS - Northbrooke South (Northbrooke Estates)

Jeffrey Souza, Northbrooke Estates HOA President, was present on behalf of this application to assign a new Private Wastewater System operator. Mr. Souza said that this item had been discussed in depth at the May 15, 2023 BOT meeting, and he was available to answer questions.

Township Attorney Dieck summarized the RESOLUTION APPROVING ASSIGNMENT OF PWS OPERATOR, NORTHBROOKE SOUTH, dated June 19, 2023.

- The current PWS operator was Highland Treatment, Inc.
- Board approval was required for the Operation and Maintenance Agreement, which was an agreement between the Township, the HOA, and the new PWS operator, that outlined rates and terms of the contract. The agreement was included with the Resolution.
- The resolution would be subject to an EGLE (Michigan Department of Environment, Great Lakes and Energy) Part 31 Discharge Permit assigned to the new PWS operator, Health Department approval of the transition process, the execution of an Assignment and Assumption of the Operating Agreement by the HOA and Operations Services, and execution of an amendment to the PWS Development Agreement naming Operations Services as the new PWS Operator.

In response to questions, Mr. Souza said that the contract between Operation Services and the HOA required Operation Services to deliver reports to the Township, EGLE, and the County (including the Health Department).

Township Attorney Dieck added that the operation agreement had been changed to give the Township a legal mechanism to terminate the agreement more quickly, and that there were fines and enforcement penalties within the ordinance for PWS operators.

Township Attorney Dieck reviewed changes as provided in the redline version of the Operation and Maintenance Agreement:

- Section 2, the term of the contract is 3 years.
- Section 3(a) set forth a new rate schedule for monthly and yearly payments for Year 1, Year 2, and Year 3:
 Year 1 Annual \$14,910, Monthly \$1,243;
 Year 2 Annual \$16,103, Monthly \$1,342;
 Year 3 Annual \$17,391, Monthly \$1,450
- Section 3(b) reflected a change in the Emergency/hour rate from \$70 to \$110.
- Section 3(b), line 8ff, deleted 7+ lines of text so that the end of the paragraph read: “. . .by such employee in promptly and properly fixing or responding to such problem.”

MOTION by Smith, support by Allison that the Ann Arbor Charter Township Board of Trustees approve the RESOLUTION APPROVING ASSIGNMENT OF PWS OPERATOR NORTHBROOKE SOUTH, dated June 19, 2023, with changes as listed above in the attached Operation and Maintenance Agreement.

Motion passed unanimously by voice vote.

VI. REPORTS, DISCUSSIONS

A. Supervisor’s Report – O’Connell

1) Request approval SEMCOG annual membership dues - \$852.

MOTION by Allison, support by Olsson, that the Ann Arbor Charter Township approve payment to SEMCOG of \$852 for annual membership dues.

Motion passed unanimously by voice vote.

2) Request approval MTA annual membership dues - \$7,764.14

MOTION by Smith, support by Allison, that the Ann Arbor Charter Township approve payment to MTA of \$7,764.14 for annual membership dues.

Motion passed unanimously by voice vote.

Supervisor O’Connell highlighted the following in her report:

- Attorney to Attorney discussion is ongoing relative to the Township’s potential new water tank. Township Attorney Dieck noted that the next step would be for the U of M real estate team to reach out to the Township.
- The Township received a \$40,000 grant from the Water Resources Commission for a proposed culvert on the Dixboro Trail gap. The Township was also pursuing a Connecting Communities grant.
- The Township received 15 positive responses out of 23 requests to perform sampling for dioxane testing. Neighbors in the testing area should be invited to Rep. Dingell’s Gelman town meeting referenced earlier in tonight’s meeting.

- Source Water Technical Advisory Group - O'Connell, Judkins
The focus of this group was the Surface Water Intake Protection Plan and wellhead protection. The group had met once; the next meeting was scheduled for June 20, at 4:00pm.
- The Sheriff's department and the Township's IT consultants were investigating a compromised Township email address.
- MDOT representatives would be available for discussion and questions at the July Board meeting.
- Supervisor O'Connell was participating in MDOT local strategy groups. She updated the Board on current and upcoming road projects in the Township. MDOT was starting design bids to raise Joy Road Bridge and Warren Road Bridge; preliminary drawings were in the meeting packet.
- The addition of a non-motorized path to the Warren Road Bridge would cost an additional \$500K-\$700K and would be the Township's responsibility; grants and other funding might be available.
- The Township received notice and a copy of the water withdrawal permit application from Mid-Michigan Materials for 4.8 million gallons a day of surface water withdrawal. Public notice was given for a comment period to be open to July 10, 2023; the public notice and the permit application were included in the meeting packet. The Township could also request a public hearing.

Trustee Allison asked that the Township receive a briefing relative to this permit application, as he remained concerned that Mid-Michigan was in violation of their Condition Use Permit.

Township Attorney Dieck said they had queried the applicant, and will put together a summary of the information that had been provided.

Utilities Director Judkins will walk the site.

B. Clerk's Report - Clerk Basch reviewed her June 19, 2023 written report.

C. Treasurer's Report – Colvin-Garcia

- Tax bills have been sent to the printer and will be in mailboxes the first week of July.
- Colvin-Garcia gave a report relative to the annual meeting of the Washtenaw County Assessors and Treasurers Association, which she attended.
- A flow chart of the site plan approval process is being developed.

D. Planning Commission Report – June 5, 2023

Trustee Allison reviewed the draft minutes of the June 5, 2023 Planning Commission meeting.

E. Committee Reports

1) Farmland Open Space and Preservation Board Report - Allison

- Trustee Allison reviewed the May 22, 2023 FOSPB meeting minutes.
- The Board discussed the Bayer wetland permit/application that was discussed at the May 22 FOSPB meeting. The Board was concerned that Ms. Bayer had obtained an

EGLE wetland permit without communicating with the Township and without first applying for a Township wetland permit.

- Supervisor O’Connell asked that the Board receive the financial tables referenced in the discussion on Fund Balance.

2) Utility Committee – Judkins

Committee met and discussed water mains.

3) Climate Resilience Committee – Olsson

The Committee will be approaching the consultants to review the Township Climate Plan draft that they had received so far. There was some concern that much of the draft was cut and pasted from the County draft, and did not address the original RFP for this project.

4) Zoning Board of Appeals - Did not meet.

5) Public Safety Committee - Did not meet.

6) Roads Committee - Included in discussion under Supervisor’s Report.

F. Utilities Department Report - Director Rick Judkins

Director Judkins reviewed the May 2023 written report, and answered questions from the Board regarding current projects.

G. Public Safety Report

1) Washtenaw County Sheriff’s Department - Sheriff’s Report in the packets.

2) Fire Department – Chief Mark Nicholai

Chief Nicholai reviewed the written May 2023 Fire Department Report.

H. Building Department Report - Building Department Report in the packets.

VII. INFORMATION ONLY ITEMS

- US 23 Community Meeting Flyer – June 21
- MDOT Local Agency Group Meeting minutes

VIII. NON-AGENDA ITEMS

Trustee Moran said it was the Township’s obligation to get permission slips from residents in order to have their wells tested as part of the latest round of testing. If necessary, someone needed to go door to door to get the missing signatures.

IX. PUBLIC COMMENT - None.

X. ADJOURNMENT

Motion by Olsson, support by Basch, to adjourn the meeting at 10:05pm. Motion passed unanimously by voice vote.