

# **THE FENTON TOWNSHIP NEWS**

**A Newsletter For The Residents of The Charter Township of Fenton  
July, 2008**

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## **Primary Election Scheduled for August 5th County & Township Offices Among Those on Primary Ballot**

A Primary Election will be held on Tuesday August 5, 2008. Fenton Township voters will cast their ballots for Township Board candidates, as well as county and state offices. Please visit our website at [www.fentontownship.org](http://www.fentontownship.org) if you would like to view and/or print a listing of candidates and ballot proposals for the August election. We would also like to remind voters that all six voting precincts were consolidated into a single polling location in 2005. All Fenton Township voters will vote in the gymnasium at the Lake Fenton High School, which is located at 4070 Lahring Road. Voters may enter the high school parking lot from either the Jennings Road or Lahring Road entrance and should enter the building at the main entrance. Signs will be posted to help direct voters to the proper stations.

For some voters, this may also be the first election in which they will be required to show valid photo identification before being allowed to vote. Acceptable forms of photo ID include:

- Michigan driver's license or Michigan personal identification card
- Driver's license or personal identification card issued by another state
- Federal or state government-issued photo identification
- U.S. passport
- Current student identification with photo – from a high school or an accredited institution of higher education
- Military identification card with photo
- Tribal identification card with photo

Please be advised that this identification procedure is mandated by Michigan law and all voters throughout the state are subject to the same requirements. Special procedures have been developed for voters to sign an affidavit if they have forgotten their photo ID, or do not possess a valid photo ID. Any questions regarding the upcoming election may be directed to the Fenton Township office at (810) 629-1537.

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## **Open Burning Prohibited in Fenton Township**

Residents should be aware that open burning is illegal in Fenton Township, with two exceptions: 1) Owners of large agricultural properties, (10 acres or larger), may apply for a burning permit for the purpose of clearing agricultural land. The Township Fire Chief shall make the final determination regarding the

issuance of any such burning permit. 2) Small recreational fires or "camp fires" for outdoor cooking are also allowed and do not require a permit, however **leaves and grass clippings may not be burned under any circumstances**. All other outdoor burning is strictly prohibited.

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## **Township Newsletter Available by E-Mail**

This and all future editions of the Fenton Township News will be available on the Township's website at [www.fentontownship.org](http://www.fentontownship.org). Individuals may also subscribe to future editions of the Fenton Township News via e-mail. Simply e-mail your subscription request to [info@fentontownship.org](mailto:info@fentontownship.org) and you will be placed on our list to automatically receive newsletters by e-mail.

# Sewer System Update and Overview

Fenton Township continues to receive inquiries regarding the increased sewer use fees that were implemented in September 2006. The Township is sensitive to these concerns and understands that the increased sewer use fees represent a financial burden for our citizens and businesses. This overview includes background information and provides details to explain the current financial status of the Township's sanitary sewer system.

## **Background**

As you may know, Fenton Township entered into an Administrative Consent Order (ACO) with the Michigan Department of Environmental Quality (MDEQ) in 2002. This ACO mandated that the Township improve its sanitary sewer system in order to minimize the risk of sewage spills and overflows. Since that time Fenton Township has been involved in an aggressive program to:

1. Conduct a video inspection of the Township's entire sanitary sewer system.
2. Identify problem areas and determine the most cost-effective rehabilitation methods.
3. Complete the necessary repairs, upgrades and/or replacements to restore the system to an adequate level of operation.

While we have made significant progress in improving the sewer system, there is still much work to be done. It is anticipated that the rehabilitation of the sewer system will be substantially completed sometime in 2009 or 2010, although the process of inspection and repairs on a smaller scale will be a perpetual process.

Although these system improvements are costly, it is vitally important that the entire sewer system is rehabilitated to an acceptable level of operation in order to protect the health, safety and welfare of our residents. This need for continued rehabilitation of the Township's sewer system due to its age and condition, combined with several economic factors, created the situation in 2006 where the Fenton Township Sewer Fund was not able to meet the financial needs of the sewer system.

At the time of the rate increase, there were three primary factors involved in the Township's need to generate additional revenues:

1. Although the Township had already allocated significant funding to sewer system improvements, it was estimated that an additional \$20 million would be needed to complete the necessary repair, upgrade and rehabilitation of the sewer system over the next several years.
2. Genesee County increased their charge to Fenton Township by \$33.00 per quarter per unit in 2006. These costs relate to the operation and maintenance of the main interceptor sewer lines and the sewage treatment plant.
3. The Sewer Fund was experiencing an overall cash flow deficiency due primarily to slower than anticipated development, (i.e. new connections to the sewer system).

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## **Important Telephone Numbers**

Fenton Township Office .....	629-1537
Building Inspector .....	629-6711
Assessor .....	629-3445
Fire Department, Emergency.....	911
Fire Department, Non-Emergency .....	629-1911
Police, Emergency .....	911
Genesee County Sheriff Department.....	257-3422
Sewer Emergencies.....	800-544-3204
Allied Waste Services (Trash Collection).....	341-9750
Advanced Pest Mgt. (Mosquito Control).....	735-8731

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## **THE FENTON TOWNSHIP NEWS**

12060 Mantawauka Drive, Fenton, MI 48430-8817

*Published as a public service for Fenton  
Township residents by your Township Board:*

**Bonnie K. Mathis, Supervisor**  
**Robert E. Krug, Clerk**  
**John R. Tucker, Treasurer**  
**Tony L. Brown, Trustee**  
**Mark A. Goupil, Trustee**  
**Denise R. Ketchmark, Trustee**  
**Lorraine M. Zimmer, Trustee**

## **Sewer System (continued)**

As an enterprise or “business-type” fund, the Township’s Sewer Fund is required to be self-supporting. Revenues generated in the Sewer Fund must cover both the cost of ongoing operation & maintenance of the sewer system, (Township and County), and the cost of periodic bond payments to retire the debt, (both existing and future debt), issued to construct, expand and/or improve the system. There are four different ways for the Township to generate revenues for the Sewer Fund:

1. Connection fees
2. Voted millage (property taxes)
3. Special assessments
4. User fees

The Township Board developed and introduced an integrated financial plan proposal in 2006 that included a mix of property taxes (millage), special assessments and user fees. The Township Board placed a millage proposal on the ballot in August of 2006, however that proposal was not approved by the voters. The Township also initiated proceedings to establish five separate special assessment districts to generate a portion of the needed revenues. Concerns raised at the special assessment public hearings made it clear that the property owners did not feel that special assessments were equitable and an overwhelming majority of those in attendance indicated a preference for an additional rate increase rather than special assessments.

That left user fees as the only option for the Township Board. Therefore, effective September 1, 2006, the sewer use fees were increased to \$85.00 per unit per month, making the quarterly bill for most residential customers 255.00. The breakdown of the quarterly sewer use billing rate of \$255.00 per unit is as follows:

\$ 177.00	Fenton Township (Debt Service, Operation & Maintenance)
78.00	Genesee County (Operation & Maintenance)

It is important to understand that the cost of the repairs is not being directly funded by the user fees. Bonds have been sold to provide the funds to pay for the system rehabilitation. The user rate increase generates the revenue necessary to make the periodic payments on these bond issues.

### **Summary and Current Projections**

The sewer use rates were increased drastically in 2006 because, by process of elimination, it was the only revenue source available to the Township to pay for the state-mandated sewer system rehabilitation. The increase in sewer use fees generates revenue to make the periodic payments on bond issued to fund the cost of the system repairs.

The bulk of the system rehabilitation should be completed by 2010, however the bonds issued to fund the work won’t be paid off until the late 2020’s. A sewer user rate decrease is not anticipated within the next few years. If we rely solely on our current cash flow model, which uses very conservative projections, the sewer use rates would not be decreased at all in the next five years and would not dip below \$200 per quarter for at least 15 years. That outlook could change drastically, however, based on a number of factors, such as voter approval of a millage proposal, the creation of special assessment districts, or if the volume of new connections increases significantly above current projections. Any one or combination of these factors could impact the sewer use rates significantly.

The Fenton Township Board understands that this rate increase represents an additional burden on the finances of our residents and businesses. Unfortunately the Township is faced with a situation where the higher rates are the only viable alternative at this time. We will continue to closely monitor the status of the Sewer Fund to ensure its long-term financial stability, while also making sure the entire sanitary sewer system is properly maintained to provide consistent and reliable service to our citizens.

Please see below for the answers to some of the most commonly asked questions regarding this issue. If you have further questions issue please contact the Township office at (810) 629-1537.

## **SEWER SYSTEM QUESTIONS & ANSWERS**

### **Why does the Township need more money for the sanitary sewer system?**

As explained in the overview, there were three primary factors affecting the Township's need to generate additional revenues in 2006:

1. The Sewer Fund was experiencing a cash flow deficiency due to slower than anticipated growth, (i.e. new connections to the sewer system).
2. The proceeds of the bonds previously issued to finance sewer repairs had been spent, however it was estimated another \$20 million would be needed to complete the necessary repair, upgrade and rehabilitation of the sewer system over the next several years.
3. Genesee County increased their charge to Fenton Township by \$33.00 per quarter per unit as of August 1, 2006. These costs are related to the operation and maintenance of the main interceptor sewer lines and the sewage treatment plant. The Township's Sewer Fund could not absorb this increase without passing it on to the sewer system users.

### **\$20 million is a lot of money. What does the \$20 million pay for?**

The video inspection process identified over 1,000 segments of sewer line with defects in need of repair or replacement, (a segment is a span of sewer pipe that extends from one manhole to the next and can range in length from 50 to 400 feet). In those 1,000+ segments of sewer pipe, over 5,000 individual defects, (broken pipe, cracks, leaks, root intrusions, etc.), were identified. Not all defects are high priority and many do not need to be addressed immediately. After a careful review and assignment of priorities, the Township Engineer determined that about half of the identified defects, (approximately 500+ pipe segments and 2,000+ defects), were considered to be priority items and needed to be either repaired or replaced under the project to be funded by the \$20 million.

### **I read in the newspaper last year that the Township saved millions of dollars by utilizing an alternative repair method for the Torrey Road sewer line. Shouldn't that reduce the total amount needed?**

It is true that the Township saved \$3-4 million by using a state-of-the-art pipe lining process on the Torrey Road sewer main, instead of the traditional and more costly "open cut" method. As a result, the bond issue sold in 2007 was downsized from \$15 million to \$11 million.

While the Township has already authorized the sale of up to an additional \$9 million in bonds, it remains to be seen if the full \$20 million in bonds will ultimately be issued. The original project cost was based on video inspections completed in 2002. New video inspections conducted since then have identified many problem areas in the sewer system that were functioning adequately five years ago. The cost of these "new" projects will offset some, if not all, of the cost savings realized in other areas. The Township will continue to monitor the project closely and the next bond issue, tentatively scheduled for early 2009, will likely be between \$5 million and \$9 million.

### **Why does the sewer system need so much repair and rehabilitation?**

Most of the Township's sanitary sewer system was installed in the 1960's and 70's, using clay pipe, which is not as flexible or durable as the plastic pipe used today. The many lakes in Fenton Township also means that we have a very high water table and soil types that are less than ideal for sewer lines. The sewer lines are subjected to a great deal of underground movement and shifting, which causes the pipes to sag, crack and break. For many years we could only fix problems that became apparent due to a spill or an overflow. With the introduction of newer technology, we have the ability to use special cameras to inspect the inside of sewer lines and identify problems before they become too large. This video inspection process has allowed us to identify 30-40 years worth of accumulated problems in a relatively short time. In order to safeguard the general health, safety and welfare of the community, the Township must continue its efforts to complete the necessary sewer system improvements.

### **Why wasn't something done sooner to generate more revenues?**

The Township did not know the extent of the needed system improvements until we were well into the state-mandated sewer rehabilitation project. As recently as the end of 2004 the Township was still maintaining a healthy cash reserve in the Sewer Fund and it appeared that our fee structure would be adequate to fund the needs of the sewer system. When it became apparent that the volume of new connections in 2005 would fall well short of projections, the Township implemented a user rate increase to help offset this shortfall.

Several other factors, which were not known until late 2005 or early 2006, created the situation that resulted in the 2006 rate increase.

1. The unexpected drop to 110 new connections in 2005 was the lowest total in more than 10 years. This number has fallen even further, with 61 new connections in 2006, 22 in 2007, and only 6 so far in 2008.
2. The review, evaluation and prioritization of needed sewer system improvements were not completed until early 2006.
3. The Genesee County increase to the rate charged to Fenton Township was communicated to the Township only a few months prior to implementation and the Township's Sewer Fund could not absorb this increase without passing it on to the sewer system users.

**Why not wait for a pipe to break before fixing it? Wouldn't that be cheaper?**

Undetected cracks or breaks in the sewer lines can cause two types of problems. Inflow and infiltration of ground water and storm water into the sanitary sewer system increases the volume of water being treated at the sewage plant, thus increasing the overall cost of sewage treatment. Cracks or breaks can also lead to sewer lines becoming blocked, which many times will result in a backup of sewage into one or more homes. Most communities, including Fenton Township, are unable to obtain insurance coverage for sewage backups. Therefore, the cost to clean up a sewage backup and replace damaged property, (sometimes totaling over \$50,000.00 per occurrence), becomes an expense to the Township's Sewer Fund. Identifying and repairing problems before they create a catastrophe is much more cost effective.

**Our rates are already among the highest in Genesee County. Why isn't that enough?**

The number of lakes and the topography of Fenton Township make our sanitary sewer system one of the most elaborate and costly to maintain in the entire state. You will not find any community in Genesee County that has anywhere near the 57 pump stations that are operated and maintained by Fenton Township. Therefore it is virtually impossible to make a meaningful comparison of our fee structure with those of other communities because our system is much more costly to operate and maintain. Also, many communities use a mixture of tax revenue (millage), special assessments, connection fees and user fees to fund their system. Fenton Township's current approach utilizes only connection fees and user fees.

**The Township started proceedings to create special assessment districts in 2006. Why was that process stopped?**

The initial financial plan considered by the Fenton Township Board included a mixture of all four revenue types, (tax millage, special assessments, connection fees & user fees). When the millage proposal was defeated by the voters, the board decided to continue with special assessment proceedings as originally planned. At the special assessment public hearings many objections were raised regarding the difference in proposed assessment amounts among the five districts. Residents were also opposed to other aspects of the special assessments, (interest cost, requirement to be paid off if the property is sold, assessing properties that were not currently using the sewer system, etc.). This input from the public prompted the Township Board to reconsider this option and the board ultimately decided that a rate increase would be the most equitable method to raise the required revenues.

**Why can't the Township use General Fund money to pay for sewer system improvements?**

The Sewer Fund is an Enterprise or "business type" fund, and is intended to be self-sufficient. All costs associated with the operation and maintenance of the system should be paid for by revenues generated in the Sewer Fund. While it is legal for the Township to use General Fund money to help pay for sewer system improvements, the General fund does not have excess cash reserves at this time. The total of all millages levied by Fenton Township in 2007 was less than one mill. This is among the lowest millage rates in all of Genesee County. This, combined with repeated reductions in Revenue Sharing payments from the State of Michigan over the past several years, has tightened the General Fund budget considerably.

**Why not have Genesee County assume operation and maintenance responsibilities for the Township's sewer system?**

The necessity for additional revenues is due to the need for continued sewer system improvements and to service the related debt, (both existing and future). It is not caused by the everyday operation and maintenance of the system.

That being said, the Township has explored the concept of having Genesee County take over operation and maintenance of the sewer system. The Township received an estimate from Genesee County for annual operation and maintenance that was approximately 25% higher than what the Township is currently paying. Also, regardless of who is responsible for maintenance, the Township would be responsible for the cost of all necessary improvements. Therefore, there is no benefit to turning our system over to the County at this time.

**One of the reasons given for the need for additional funds is a slower economy and decreased development, resulting in lower than projected connection fee revenue. What happens if the economy improves and development increases?**

If cash flows improve significantly due to a higher than projected volume of new connections to the sewer system, the Township may be in a position to reduce the user rates at some point. The Township will only collect the revenues necessary to operate & maintain the sewer system, service the related debt and maintain adequate fund reserves. Sewer Fund dollars cannot be spent for any other purpose and the Township is not permitted to accumulate excessive amounts of cash reserves.

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## Has Your Well Been Tested for Arsenic?

Concerns have been raised in recent years regarding the presence of arsenic in our groundwater. Arsenic is a common, naturally occurring element in the Earth's crust, which comes in two forms: organic and inorganic. Organic arsenic is not found in groundwater, however elevated levels of inorganic arsenic, (the more harmful form to humans), have been found in the groundwater in some wells throughout Michigan, including Fenton Township, where almost everyone's water supply comes from a private well.

Arsenic is a regulated component in public water systems, (including schools), and privately owned community well systems. Historically, these public and community water supplies were required to have arsenic concentrations below 50 parts per billion (ppb); that level was reduced to 10 ppb in 2006. There are no regulatory requirements regarding arsenic levels in private wells and most standard water tests, even those for new wells, do not test for arsenic. If your well water does contain elevated levels of arsenic, there are treatment devices available, such as reverse osmosis

systems, which have been shown to be effective in lowering arsenic levels. These units can be purchased from various water treatment establishments.

Fenton Township recommends that you know the arsenic concentration in your drinking water, and share this information with your family physician. Water samples can be sent to the Michigan Department of Environmental Quality (MDEQ) to be tested for arsenic. There is an \$18 fee for the arsenic test. Water sample bottles and the necessary forms are available at the Fenton Township office and the Genesee County Health Department.

For additional information, you may contact the Genesee County Health Department at (810) 257-3603 or the MDEQ at 1-800-648-6942.

You may also access a printable brochure from the MDEQ on the subject of arsenic in well water on the Fenton Township website at [www.fentontownship.org](http://www.fentontownship.org).

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# REMEMBER TO VOTE AUGUST 5th

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