

**PUBLIC HEARING**  
Monday, June 14, 2021 at 5:00 p.m.

1. Meeting was called to order by the Supervisor and began with the Pledge of Allegiance to the Flag.
2. **ROLL CALL** –, Beverly Ikola-Trustee, Hope Tarnaski-Treasurer, Jeff Randall-Supervisor and Debbie Janczak-Clerk. Absent: Sue Roberts-Trustee. In addition, there were eight residents present and one zoom guest present.
3. **PRESENTATION OF THE MINUTES** –MOTION by Tarnaski supported by Randall to approve the minutes as presented from June 7 2021. Motion carried.

**PUBLIC HEARING – proposed water and Ramsay Sewer rate increases.**

MOTION by Randall supported by Janczak to enter into the first public hearing. Motion carried by roll call vote. The public hearing began with an explanation from the Supervisor regarding the process for the hearings. The first part is to discuss the rate increases and how they will be billed in three increments.

The township is looking towards a water project that will affect approximately twenty-six residents. The township has applying for grant funding which will cover 55% of the project. The scope of the project is to change over any lead pipes to conform to state code. There have been several projects completed thus far and the township continues to move forward with the completion of the Sanitary Sewer Order. The goal is to be able to move any lines from resident's backyards to the road and eliminate any shared lines. In addition, the project is planned to cover any road repairs after restoration.

The Supervisor then reviewed the proposed rate changes that were included in the agenda packet. This will be spread out over three quarterly billings. Darren Pionk talked about the cost of the project and timelines to do so. The cost will only go up in the future and the township may not be offered a 55% grant if it chooses to postpone. The second portion of the project is for the costs of replacing the lines.

At this time the rate increase is only being reviewed for the water and Ramsay Sewer portions/residents.

The floor was then opened up for questions from the public. Some concern was raised as to why this hadn't been done incrementally in the past several years. There really is no good time to raise rates, but with the project looming the township had to make the move at this time. The latest this project can close is 2023-24.

MOTION by Randall supported by Tarnaski to close the public hearing at 6:13 p.m. Motion carried by roll call vote.

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**PUBLIC HEARING – proposed Lead Service Line Replacement Grant/Loan application for \$430,000 for replacement of lead service lines on private property.**

MOTION by Randall supported by Tarnaski to move in to the second public hearing at 6:17 p.m. Supervisor Randall: All those in favor (4); all opposed. Motion carried. Darren, we'll let you read the statement.

Darren Pionk: cough, ah good evening, my name is Darren Pionk, I'm the engineer for C2AE and the project manager for Bessemer Township. Um, this is a Bessemer Township DWSRF and a summary of the project. Bessemer Township is requesting consideration by the State of Michigan for a Drinking Water State Revolving Fund loan. This loan will make available funds for lead and lead impacted

galvanized service line replacements within and adjacent to the 2022 USDA project areas and throughout the Township. Coordinating ah, water main improvements and water service replacements will reduce service interruptions and expenses to the Township. A loan ah could make ah funds available for immediate use and allow incremental readiness and commodity rate increases to repay this expense. The original water utilities in Bessemer Township were built in the early and mid-20th Century. Periodic inventory and replacement projects have taken place since then creating a network of historic cast iron and lead pipe, and more modern ductile iron.

The Township has been a part of the regional Gogebic Range Water Authority GGW-GRWA, sorry, ah since it began in 1988. The Township and GRWA have an opportunity through Drinking Water Asset Management and the USDA water improvements project ah to inventory service line materials, and replace goosenecks and water service lines as necessary to comply with 2018 Lead and Copper Rule revisions. Lead-impacted service lines identified during the 2022 USDA project will be replaced from main to meter according to EGLE guidelines using DWSRF funding.

Ah Bessemer Township is located in western Gogebic County in a historic mining area. Most mining operations have ceased, yet natural resources remain an economic driver in terms of forestry and recreational opportunities. The regional population has declined in recent decades and the community has prioritized urban-infill and downtown redevelopment, as well as other initiatives to improve quality of life.

Ah Many improvements to ah water utilities in recent years have been motivated by water quality concerns and loss of structural integrity. Deterioration of valves has reduced controls for fire, for hydrant flushing and other maintenance as well as isolation for repairs. Shallow-buried and corroded pipe conditions have led to water main breaks and other disruptions. USDA funds have assisted in making system-wide improvements, but have been limited to publicly-owned property. Since the 2018 revisions to the Lead and Copper Rule, the Township must take responsibility for lead-impacted services on private property and increase the scope of their investigations and replacement.

Replacement of lead-impacted service lines will reduce the opportunity for heavy metal migration into drinking water. The negative health impacts of lead are well known and can be extremely dangerous. Although the Township has not identified lead in drinking water samples to date, precautionary replacement is mandated by the State to protect public health.

The alternatives considered in the following report are essential and essentially “no-action” and “action” by replacement and upgrades. Despite the high cost, the necessity of lead-impacted service replacement means that “no-action” is not a possibility. Ah, the selected alternative, replacement and upgrades, can be completed most cost-effectively in coordination with the 2022 USDA project.

The anticipated ah, ah environmental impacts resulting from implementation of the selected alternative can include beneficial and detrimental, short and long term, and irreversible or irretrievable impacts. Full detail may be found under the section labeled “Environmental eval, Evaluation”.

The incidence of galvanized service lines in need of replacement is assumed to be 15%. The estimated cost of each replacement is based on previous work in Bessemer Township and a comparison with other municipalities in the Upper Peninsula of Michigan. Total ah project costs are as follows:

**Table 1: Project Costs**

Item	Est. Total
Construction Total	\$328,100
Administration, Legal, Bonding, Permits, & Misc.	\$15,000
Engineering Total	\$64,900
Contingencies	\$22,000
<b>Total Project Cost</b>	<b>\$430,000</b>

Ah, The Township is updating their water rate structure to accommodate necessary loans for the 2022 USDA project and the associated water service replacement. Based on existing rates and median household income, Bessemer Township qualifies as a disadvantaged community and may therefore opt for a 20-year, 30-year, or 40-year DWSRF loan period if a loan is approved by the State. Ah projecting ah

operating budgets and payment scenarios are included based on a 30-year loan repayment. Ah For 100% loan, ah the user rate impact is about \$4 per month per EDU, ah with Booker Funds, which is the grant funding, ah the increase would be around \$1 per month per EDU.

The Township is planning to coordinate service line replacements with the 2022 USDA project. The approximate schedule will include bidding ah in Fall 2021 and spring of 2022 with the construction season starting in spring of 2022; um if DWSRF funding is available. So again, what we're saying is if we don't get the grant, then we're looking at postponing the USDA project. Ah, these projects are estimated to take up to three years for substantial completion. Coordinating these improvements will reduce mobilization and construction costs, reduce interruption to residents, and improve water service quality and safety within the Bessemer Township for many years to come. Thank you. I'll give it back to you. (paper was handed over)

Supervisor Randall: Now for some questions. (cough)

Pat Stefani: Something you just said, (coughing in the background) um that wasn't really clear, you're looking at doing the road so are you saying that if we don't get the grant then the rest would be through the loan?

Darren Pionk: No, ah

Pat Stefani: or maybe I just misunderstood

Darren Pionk: Again, if ah we're not qualify and aren't selected for the grant so, we're looking at postponing the USDA part until that grant would come up again. But we're trying to get this new portion to coincide with the grant money.

Pat Stefani: Ok, so again there's the possibility that we would get the grant, right?

Jeff Randall: Yes, there's still the possibility.

Pat Stefani: What would help us to uh try to get the grant? I mean how do we do that and push it forward?

Darren Pionk: Uh, the scoring that comes in is through, ah EGLE, Department of Environmental Quality. So, um if we were pushing things to um, let me explain that we are competing with places like the City of Bessemer. Unfortunately, there are so many needs in the state that we were still not selected this time. But by the township completing the partial project plan and submitting the final documents we are in the running for the next forty years of funding. So that's what we're looking at in getting the high grant amount.

Mike Wells: I was wondering, uh how the materials cost would affect us if it's postponed.

Darren Pionk: That's a good point. The project plan has to be submitted this month. The preliminary date was March, so really uh the cycle of the piping that keeps increasing.

Mike Wells: So, it's likely to be more than that?

Darren Pionk: Yeah, and again we're estimating 15% of the residents of Bessemer Township are affected by galvanized lines. It could be 20%, it could be 5% again we're saying this is a rough average for residents in this area.

Pat Stefani: If it comes to it, do we have to take the loan? And if not does that become the burden to that individual.

Jeff Randall: It becomes the cost of the individual or the township and the state's indicated that they would bill the township, which means it's the rate payers.

Muffled (yeah, um humm)

Jeff Randall: Any other questions? Ok, if there's no other questions, I'll make a motion that we ah close this public hearing. (6:27 p.m.)

Debbie Janczak: Support

Jeff Randall: We have motion and support any other questions or anything further to discuss? If not, all those in favor. (Ikola, Tarnaski, Randall, Janczak – AY; those opposed (none)) that motion carries.

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Resume of "regular" township board meeting:

4. **PUBLIC COMMENT ON AGENDA ITEMS** –None.

5. **APPROVAL OF AGENDA** –Motion by Tarnaski supported by Randall to approve the agenda as presented. Motion carried.

6. **PETITIONS**-None.

7. **COMMUNICATIONS:**

Supervisor: None; Clerk: None; Treasurer: None.

8. **REPORTS – BOARDS & COMMITTEES**

The Supervisor informed the board that there was a water break on US 2 west of Powdermill Creek (by the old “This and That”)

GRWA – The Indianhead water customers were offered to the City of Wakefield and their decision will be announced at the July meeting according to the Supervisor.

Also, the authority voted to approve the transfer of \$50,000 to the township for Black Jack replacement fund. They will be using some of the \$30,000 balance for line replacement work.

BASA – Trustee Ikola reported that this was a regular business meeting.

9. **UNFINISHED BUSINESS**

LAND SALE REQUEST – Supervisor Randall will be putting this in the paper.

WATER/SEWER RATES – MOTION by Randall supported by Janczak to approve of the new water rates as presented via the public hearing and to use the next three quarterly billings to implement the whole increase of \$22.65 per month, \$67.95 per quarter and \$271.80 per year. Motion passed by roll call vote.

MOTION by Randall supported by Ikola to approve of the new Ramsay Sewer Rates (and to separate out Anvil Sewer) for an \$23.61 per month, \$70.83 per quarter and \$283.32 per year to be implemented over the next three quarterly billings. Motion passed by roll call vote.

ORDINANCE ENFORCEMENT – The Supervisor provided a written job description for this position. The board reviewed and Treasurer Tarnaski will review and re-submit to the board members for approval.

10. **NEW BUSINESS**

RESOLUTION FOR LEAD SERVICE LINE REPLACEMENT-MOTION by Randall supported by Tarnaski to approve the resolution. Motion carried by roll call vote.

LUPINO PIT APPLICATION – The Planning Commission is recommending the approval of the pit located at the southern edge of the township and City of Bessemer off of Hill Avenue. MOTION by Tarnaski supported by Ikola to approve the application and to move forward with the operation of the pit. Motion carried by roll call vote.

11. **TREASURER’S REPORT** – None.

12. **APPROVE PAYMENT OF BILLS, PAYROLL & MILEAGE** –The following checks were presented for payment:

<b>FUND</b>	<b>CHECK NUMERS</b>	<b>AMOUNT</b>
General Fund	#15125-15135	\$13,140.76
Water Fund	#22061-22067	\$9,492.83
Anvil Sewer	#	\$
Ramsay Sewer	#	\$
West End Sewer	#1251-1252	\$7557.21

MOTION by Tarnaski supported by Randall to approve payment of bills. Motion passed by roll call vote.

13. **PUBLIC COMMENT AND OTHER BUSINESS**-The Supervisor reported the 4<sup>th</sup> of July committee will begin selling 50/50 tickets on June 18<sup>th</sup> and the Ore House will also be holding a fund raiser that night. The MTA picnic is scheduled for June 22 and will be held at the township. The Clerk will be sending out the menu.

Lisa Hegbloom noted that seven out of the forty-five shut off notices have been paid.

14. **ADJOURNMENT** – MOTION by Tarnaski supported by Ikola to adjourn the meeting at 7:21 p.m. Motion carried.

These minutes are respectfully submitted:

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 Debbie Janczak, Township Clerk