

OLD ORCHARD UTILITY PROJECT

JUSTIN LAKAMPER

PLAINWELL CITY MANAGER

PROJECT NEED AND SCOPE

PROJECT NEED

- Failing Roads
- Failing Septic Systems with limited space for new drain fields on neighborhood parcels.
- Original water mains throughout.

PROJECT SCOPE

- New Roads (Asphalt)
- Expanded Sewer System
 - New sewer mains on portion of neighborhood currently without access
- New Water Mains

PROJECT TIMELINE

- April
 - Project Begins
 - Tree Removal and Clearing
 - Pavement Removal
- May
 - Sanitary Sewer Installation
- June
 - Sanitary Sewer Installation (Cont)
 - Water Main Installation
- July
 - Water Main Installation Continued
- August
 - Storm Sewer Installation
 - Road Reconstruction
- September
 - Road Paving
 - Surface Restoration
- October
 - Final Cleanup and Demobilization

PROJECT COSTS AND FINANCING

OLD ORCHARD PROJECT
 FINANCIAL ANALYSIS
 ANALYSIS OF A 20-YEAR LOAN PAYMENT / ASSESSMENT BILLING

FINAL BILLING NUMBERS

	STREET PROJECT - LOCAL	SEWER - INSTALL NEW LINES	SEWER - MAINTAIN EXISTING LINES	WATER - INSTALL NEW WATER MAIN	TOTAL PROJECT
Bid Cost for Old Orchard Project					\$3,130,358.00
Estimated engineering Cost for Fleis & Vandenbrink					\$278,000.00
Estimated Allocated Costs for entire project	\$342,037.20	\$1,155,396.17	\$22,959.01	\$1,887,965.62	\$3,408,358.00
Cash payments from reserves	\$342,037.20		\$22,959.01		\$364,996.21
Discretionary cash allocated to project		\$0.00		\$0.00	\$0.00
Cash payments from County ARPA Funds				\$395,333.00	\$395,333.00
Project Costs to be bonded out	\$0.00	\$1,155,396.17	\$0.00	\$1,492,632.62	\$2,648,028.79
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Estimated Annual Debt Service at 3.659495343%	\$0.00	\$88,464.51	\$0.00	\$114,285.49	\$202,750.00
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Average Change in Fund Balance (Surplus) - prior 5 years		\$27,979.00		\$47,139.00	\$75,118.00
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OLD ORCHARD SEWER EXPANSION PROJECT

- 57 parcels in the Old Orchard Neighborhood located on Cherrywood, Russet, and Glenview Drives and Thomas Street are not serviced by the city sewer system.
- This spring and summer the city will be installing sewer mains on these streets. Once the project is finished each parcel will be required to connect to the sewer system.
- The connection from your home to the main is the responsibility of the homeowner.
- In addition, each parcel with a dwelling on it will be responsible for a special assessment \$7,500, pending final City Council approval on April 22nd, 2024.

WHEN CAN I CONNECT TO THE NEW SYSTEM?

- Once the project is completed at the end of the summer you will receive a “notice to connect” from the City.
- After receiving that notice you can begin connecting your sanitary sewer line to the new system which is anticipated to be in late September.

HOW LONG DO I HAVE TO CONNECT TO THE NEW SYSTEM?

- After receiving your “notice to connect” all homes must be connected to the new system within 10 years.
- If your current septic system fails within those 10 years, you will be required to connect instead of installing/repairing your septic system.

WHAT IS A SEWER TAP FEE AND WHY DO I HAVE TO PAY IT?

- Each new user who connects to the sewer system, whether as a result of the Old Orchard project or not, must pay a Sewer Tap Fee of \$2,500.
- The Tap Fee is the financial equivalent of a new sewer customer buying into the existing value of the utility, to which the new user now has access.
- In 2016 the cities engineering consultant, Flies and Vandenbrink recommended that Plainwell's tap fee increase from \$1,000 to \$2,500.
- In 2019 the tap fee was increased to \$2,500.

WHO SHOULD PERFORM THE WORK?

- As a homeowner you are allowed to perform the work yourself. It does, however, need to meet all plumbing codes and standards even if you are performing the work yourself.
- The other option you have would be hire a plumbing professional who is capable of performing the work for you.
- The City has informed several area plumbers of the project so that they are aware that there may be several Plainwell residents calling.
- The City is not endorsing these individuals in any manner and you are not required to use their services. You may hire any qualified contractor.

DO I NEED A PERMIT AND DOES THE WORK NEED TO BE INSPECTED?

- Yes!
- Whether or not you are performing the work yourself or hiring a professional you need to pull a permit and have the work inspected.
- The City utilizes the services of Professional Code Inspections for all construction permitting. You can contact them at (616) 877-2000.

WHAT HAPPENS TO MY OLD SEPTIC TANK?

- The Allegan County Health Department is asking that all of the septic tanks be pumped free from sewage, crushed, and filled in with sand, including any dry wells.
- If you have more questions regarding these requirements please contact the Allegan County Health Department directly at (269) 673-5411.

WILL I HAVE A MONTHLY BILL ONCE CONNECTED?

- Yes, once you are connected to the system you will pay a monthly sewer bill like all other customers on the system.
- Currently, customers are charged a ready to serve fee (RTS) and an operation and maintenance fee (O&M), which total \$9.90 per 1,000 gallons of sewage usage.
- This is based off of your water usage and is capped in the summer months based on your average water usage in December, January, and February. This is to account for the increased water usage in the summer for things like watering plants and filling pools, which does not end up in the sewer system.

WHY IS A \$7,500 ASSESSMENT BEING CONSIDERED?

- The project costs for the installation of the new sewer system is \$1,155,396 and the revenue generated from an assessment will amount to approximately \$412,500, covering approximately 36% of the sewer expansion project costs.
- The assessment is a tool to help finance the sewer expansion project, which directly benefits your property.
- The remaining 64% of the sewer expansion project costs will be paid for by the Sewer Fund, which is financed by the sewer use fees paid by all sewer system customers.

IS THE ASSESSMENT SET IN STONE?

- On Monday, March 11th, the City Council passed resolution 2023 – 09 which established the need for the sewer expansion project, and tentatively set the proposed assessment amount at \$7,500.
- This resolution authorizes the City Treasurer to prepare all necessary documentation and resolutions to finalize the assessment, however, as of the writing of this letter this process is not finished and there is currently no lien against your property for the proposed amount.
- We anticipate presenting the Council with the resolutions necessary to complete the assessment process in April. You will be mailed a notice for the meeting when these final resolutions will be presented for passage.

WHEN WILL I HAVE TO PAY MY ASSESSMENT?

- Once the assessment has been finalized, you will be billed \$584.57 annually over the next 20 years.
- You will not receive your first assessment bill until the summer of 2025.
- You can pay the entire assessment in one lump sum or make larger payments to shorten the period of repayment.
- If you chose to pay overtime you will be charged an interest rate of 4.66% on your assessment.

QUESTIONS?

- Please contact City Hall at (269) 685-6821
- Please attend council meetings every second and fourth Monday of each month for project updates.