



ACME TOWNSHIP REGULAR BOARD MEETING
ACME TOWNSHIP HALL
6042 Acme Road, Williamsburg MI 49690
Tuesday, December 1, 2009 6:30 P.M.

MEETING CALLED TO ORDER WITH THE PLEDGE OF ALLEGIANCE AT 6:30 P.M.

Members present: D. Dunville, R. Hardin, W. Kladder, P. Scott, E. Takayama, L. Wickle, F. Zarafonitis
Members excused: None
Staff present: S. Vreeland, Township Manager and Recording Secretary
J. Jocks, Legal Counsel

- A. **STUDY SESSION:** 11-10-09 Public Notice from DEQ regarding proposed new groundwater wastewater discharge permit for Shoreline Fruit: Ken Swanson, CEO and Duncan Morrison, Michigan Plant Manager for Shoreline Fruit and Kurt Koella from Lakeshore Environmental were present to describe the proposed permit for the Board. Mr. Koella stated that the fruit processing plant currently owned by Shoreline Fruit has been in operation for over 40 years, and for all that time has been processing and discharging wastewater on-site. They wash and juice cherries, so the wastewater is very dilute cherry water. Prior to 2005 the water was treated by use of a single lagoon (stabilization pond) from which it would be spray irrigated in the orchards. Since 2006 they have performed both cherry juicing and drying processes and take in fruit from multiple sources, so their classification for wastewater processing changed from agricultural to industrial, requiring a change in the wastewater handling method. Shoreline has been working with the DEQ on the required permit for several years, with the DEQ now announcing an intent to issue a permit after the required public input period.

Mr. Koella displayed a presentation including a flow chart of the DEQ permit process. Once the permit is issued extensive monitoring tests and reporting are required on an ongoing basis. The DEQ may also perform an audit at any time. To receive the permit hydrogeological and a host of other studies are required.

He then displayed a schematic of the system process. Water flows through the processing equipment, passes through a concrete tank to a hydrosieve, through a grit trap and into an aerated lagoon. There is a very fine filter there that helps remove solids, which are land-applied in accordance with appropriate standards. The water is ultimately dispersed in the orchard through irrigation systems. If there is a potential source of odors it would be from the solids placed on the farm fields; this is handled by required tilling of the wastes into the soil. Odors can also occur in storage lagoons if they are allowed to sit idle and the bacteria therein become anaerobic. These lagoons will be aerated to help keep the bacteria working to process the wastewater and keep odors down. Odor can also occur where the treated water is sprayed. Shoreline Fruit plans to use underground drip irrigation in the winter, which will not expose odors to the air. The summer irrigation areas use nozzles that are carefully angled to keep spray low. If needed, lime or caustic soda can also be mixed into the system for odor control.

The existing lagoon has historically been clay-lined in accordance with older DEQ standards. The clay has now been removed and the old lagoon has been replaced with two new lagoons with dual membrane liners.

The fields will be continuously automatically monitored with various sensors for moisture and oxygen levels so that Shoreline can know how much water can safely be land applied at any given time. Very new technology proven in labs at MSU and in the field at Shoreline is being employed. Kladder asked if production would have to be slowed if environmental factors are not right for irrigation. Mr. Koella responded that the system has the capacity to hold several days worth of flows,

and there are several different fields to which the water can be applied. They do not anticipate a problem unless there is a very strong storm. They are currently applying less than 50% of the maximum amount of nutrient-laden (nitrogen and phosphorous) water they would apply per day on a regular basis. Managing moisture and organic loading are the keys to successful site management without groundwater contamination. Shoreline's design has been developed using conservative estimates, and there are about 100 acres total available for irrigation if needed. The soils are expected to be able to handle the flows for over 200 years without any cherry trees pulling nutrients out of the soil, but these fields do have cherry trees that will utilize much of the nutrient load dispersed. The effluent contains less iron than the water pulled from the ground into the process. The solids produced by the process would constitute a very weak fertilizer (0.01, 0.002, 0.002). Mr. Koella asserted that 3,000 pounds of the solids would be the nutrient equivalent to one bag of common residential fertilizer.

How can it be guaranteed that there will be no problems? Mr. Koella stated that the DEQ staff has been very thorough. The system will be monitored daily and tested monthly, quarterly and annually. All three gentlemen present must sign and certify the reports sent to the state, and Mr. Koella could lose his license and any of them could be jailed for misfeasance. The state does "split sampling" where one sample taken is divided in two, with the plant processing one set of tests and the DEQ processing an identical set to cross-check the results and the quality of testing. The facility has been operating for a long time without the upgraded system without groundwater problems for neighboring properties, so they are confident that there will be no problems after the upgrade.

Zarafonitis asked about land application of solids and whether any new regulations will affect this; Mr. Koella said it would not. They do not have must fertilizer value and pesticides have already been washed away. Hardin asked for the definition of a Part 201 permit; this sort of permit is issued in situations where soil, water and/or air contamination already exists and cannot be obtained unless the recipient is actually improving conditions. Every site has to demonstrate that it does not have a 201-generating problem, and this site must continually demonstrate that it is improving the environment. Hardin asked if the process solids are impacted by upcoming restrictions on land application of biosolids. Mr. Koella stated that they have not asked for any effluent additives that are on a list that could cause a problem.

Kladder asked how the sludge would be classified in terms of municipal septage standards; the two are not comparable. He asked what happens at the end of the initial 5-year permit process; the DEQ audits all of the monitoring data and reports. If trends in environmental quality are down, the permit will have to be modified and/or justified. If trends in environmental quality are level or up the permit is renewed. Kladder asked if the system will be able to accommodate any planned expansion of the plant and its operations, and what happens if the conditions at the plant change substantially from those on which the permit is based. In this case the plant would have to submit a permit revision application based on the new data. Kladder stated that last week he had the opportunity to spend a day touring various fruit processing plants in the area with a visiting scientist. He saw a variety of different systems and approaches and was overall very impressed. One site had its own small full treatment plant.

Hardin noted that the new lagoon liners can be slippery at the edges and asked what safety measures are in place to keep people from falling in accidentally when they are performing testing or maintenance. There is stone and fencing installed at the perimeters, testing is done in pairs and there are lifesaving rings available.

A brief recess was declared from 7:10 p.m. to 7:16 p.m.

B. LIMITED PUBLIC COMMENT:

J. Mike DeAgostino, Public Relations Manager for the GT Resort and Spa invited everyone to the Cherry Capital Winter WonderFest February 12 -15, 2010. The Resort, Mt. Holiday and Downtown

Traverse City will all have event venues, and there may also be several associated events scattered throughout Acme Township.

- C. **APPROVAL OF AGENDA:** Kladder suggested removal of the discussion about the treatment plant capacity lease to a future agenda (item J1) and item K2, amendment of the Metro Emergency Services articles of incorporation. After further study by legal counsel, the amendment was deemed unnecessary. He also added a new item K3, discussion of the marina feasibility study RFQ/P and appointment of a board member to the firm selection committee.

Motion by Wikle, support by Dunville to approve the agenda as amended. Motion carried unanimously.

- D. **INQUIRY AS TO CONFLICTS OF INTEREST:** None noted.

E. **CONSENT CALENDAR:**

Motion by Zarafonitis, support by Scott to approve the Consent Calendar as presented including:

RECEIVE AND FILE:

1. **Treasurer's Report** as of 10-17-09
2. **Clerk's Report** as of 11-17-09
3. Draft Unapproved Meeting Minutes:
 - a. Planning Commission **11-16-09** and **11-23-09**
 - b. GT County Road Commission **10-21-09**
 - c. Metro Emergency Services **10-27-09**
4. **Metro Emergency Services Newsletter 11-15-09**

ACTION – Consider approval:

5. **Township Board meeting minutes of 11-10-09**
6. **Accounts Payable** of \$45,907.13 through 11-17-09
7. **Fireworks permit** for Cherry Capital Winter Wonderfest 2010
8. **2010 Board of Trustees Meeting Schedule**
9. Acceptance of settlement in outstanding **Cherryland Electric Cooperative Tax Tribunal Case**

Motion carried by unanimous roll call vote.

F. **SPECIAL PRESENTATIONS:**

1. **2008-09 Fiscal Year Audit Report** – **Dennis, Gartland & Niergarth:** Wikle introduced Trina Edwards and Mary Kurtz from Dennis, Gartland & Niergarth to discuss the audit for the fiscal year ended June 30, 2009. Highlights from the Management Discussion and Analysis are that overall all financial information was presented generally according to standards. Net assets were a little over \$12 million, with a little over \$9 million in capital assets (sewer systems, buildings, equipment), approximately \$1.5 million total in assets restricted to particular purposes (fire protection, farmland preservation, etc.) and approximately \$1.5 million in unrestricted assets. Some assets were shown as a contribution to Metro Emergency Services (MESA) because they became a separate legal entity on January 1, 2009 whereas before they were a joint venture and the township actually owned a portion of its assets.

As of June 30, 2009 the General Fund has a balance of \$1,055,000, up from \$980,000 as of June 30, 2008. This represents approximately 14 months-worth of operating expenses. Auditors are generally pleased to see reserves equal to not less than 3 months-worth of operating expenses.

The report on internal controls and compliance noted two very minor deficiencies. The first is that the township relies on its audit firm to assist in the preparation of its financial statements. While standards indicates that these statements should ideally be prepared by management, it is common for governments of our size to find it more cost effective to have the auditors perform this function. They note this situation for nearly every government they audit. The second deficiency noted is a minor lack in separation of duties when it comes to accounting functions; however, again this is a function of the extremely small number of staff employed by the township which makes it difficult or impossible to fully separate the functions. The township has done its best to include as many different people in financial oversight on a regular basis as possible. Most governmental units do not have sufficient staff to maximize internal controls, nor is it cost effective to hire additional staff solely for this purpose.

It is recommended that the Clerk and Treasurer balance the accounts to the General Ledger on a monthly basis. At the outset of the audit Wikle informed the audit team that there was a difficulty in reconciling the accounts for the month of June, and this up-front disclosure was viewed favorably. There were a few accrued revenues for the prior fiscal year that were originally posted to the current fiscal year which needed to be reposted.

Wikle and Dunville both found Dennis, Gartland and Niergarth very easy to work with.

Motion by Takayama, support by Dunville to accept the audit report for the fiscal year ended June 30, 2009. Motion carried by unanimous roll call vote.

G. REPORTS:

1. **Sheriff's Deputy – Mike Matteucci:** the statistics for November are not yet available.
2. **County Commissioner's Report: – Larry Inman:** The County hopes to receive H1N1 vaccine for distribution to the general public through the Health Department in December. They will be studying the composition of the Board and Department of Public Works and what would be the best model for the future and for the member townships. Renovation of the third floor of the governmental center is halfway complete. The new Central Dispatch area is complete and much improved over the old conditions where there were no windows and outdated equipment and furniture. The 2010 budget is complete and appointments to various boards and commissions for next year are nearly complete as well.

Hardin stated that the Supreme Court will soon be hearing a case related to property damage in shoreline areas and the effect of changing water levels on property ownership rights for shoreline landowners. He suggests the County keep an eye on this case, as it could have some application to the situation along the Boardman River where the water levels have been lowered due to removal of the dams. Inman noted that there has been ongoing discussion about who owns the newly exposed bottomlands, whether landowners need easements from across the bottomlands to access the water, and whether their property values will be changed if the parcels in question are no longer technically waterfront properties.

3. **Parks and Maintenance – Tom Henkel:** received and filed.
4. **Zoning Administrator's Report – John Hull:** received and filed.

H. CORRESPONDENCE:

1. **11-02-09 Letter from US EPA regarding issuance of permit for Cherry Berry deep injection well and providing/responding to public comment from prior public hearing:**
Received and filed

I. PUBLIC HEARINGS: None

J. OLD BUSINESS:

~~1. Discuss retention of 2% sewage treatment plant capacity lease~~

2. **Township Budget Update** – Vreeland provided updated budget spreadsheets showing budgeted amounts compared to actual revenues and expenditures for the fiscal year through November 17. At the bottom of each page she displayed the percentage of the fiscal year elapsed as compared to the percentage of revenue received or cost center appropriations expended as applicable. We are only just about to receive our revenue for the fiscal year through the Winter tax collection. In general it appears that we are working well within our tight budget parameters and that things are on track.

Kladder and Vreeland stated that Assessor Dawn Plude has told them that property assessments for the township could be reduced by as much as 12% at the end of the year. Vreeland observed that since taxable values are often much different than assessed values for properties, it is likely that taxable values will be reduced by somewhat less than this amount. Taxable values will be going down in any case by a small amount due to Proposal A and the fact that this year's inflation rate was actually a deflation rate. The effects of this will be felt in the 2010-11 fiscal year. We continue to monitor state revenue sharing payments closely to see how actual payments compare to the state projections used for budgeting purposes.

K. NEW BUSINESS:

1. **Consider placement of a "Hidden Driveway" road sign regarding 6302 Brackett Road:** There is a home on Brackett Road with a driveway at the crest of a hill where it is hard to see. Hull confirmed with the Road Commission that the driveway is not optimally located for safe sight distance. He was told that the township should approve the sign placement and the payment arrangements for the signs.

Motion by Wikle, support by Dunville to request the Grand Traverse County Road Commission to place appropriate signage for a hidden driveway at 6302 Brackett Road.

Motion amended by Wikle, support by Dunville to split the cost of the signage with the homeowner, and to suggest placement of one sign in each direction. Motion carried by unanimous roll call vote.

2. ~~Consider resolution to amend the Articles of Incorporation for Metro Emergency Services~~
3. **Marina Feasibility Study RFQ/P:** Kladder asked for a Board member to join him, Vreeland, a member of the Marina Advisory and a member of the Shoreline Advisory in reviewing proposals for the marina feasibility study and conduct interviews in late January.

Motion by Hardin, support by Scott to nominate Wikle to the marina feasibility study selection committee. Motion carried unanimously.

L. PUBLIC COMMENT & OTHER BUSINESS THAT MAY COME BEFORE THE BOARD:

Kladder stated that a "G5" committee has been formed through the DPW, consisting of the Supervisors of the five townships who guaranteed the septage treatment plant. This body reports directly to the Board of Public Works (BPW) and is charged with protecting the system and the influence of those governments that are actually footing the bill. Several of the members may be applying for seats on the BPW. While at one time the BPW dealt only with water and sewer issues, now it is spending much time on septage issues and even solid waste issues. The people with the financial interest are trying to ensure that they have an appropriate level of influence in the process.

The inspection and cleaning of the sewer lines along US 31 North approved at last month's meeting is expected to start later this week.

Santa Claus is arriving in Acme Township, starting a tour by fire truck in Holiday Hills at about 6:30 that finishes up at the Masonic Lodge at about 7:00 p.m. so people can join together for refreshments and fun.

Meeting adjourned at 8:02 p.m.