

## Onekama Township Proposed Sewer System Frequently Asked Questions

1. How did the Township arrive at the current direction for the sewer system?

For many years, the Township Board, residents, and businesses along Portage Lake have discussed the possibility of a future sewer system around Portage Lake. As you can imagine, those who would be affected by the placement of a sewage collection system have strong feelings about such a system.

With the completion and subsequent adoption of the Portage Lake Watershed Plan, the importance of a sewer system around Portage Lake to improve its health became very evident. With the exception of the Village of Onekama, virtually all buildings around Portage Lake are served with on-site septic systems.

To begin the process, the Township completed a feasibility study to develop estimated project costs. Once completed, the Township felt that prior to approaching the community about the cost of the project, it would be a good idea to apply for funds and determine what percentage would be covered by low-interest loan and what percentage would be covered by grant. Applying for funding through Rural Development does not obligate the Township to use any of the funds, or even to accept the funds offered but it will provide a good base to communicate with the Township constituents about project and user cost.

2. What is the current direction/recommendation for the sewer system and how was it obtained?

The current project is to install a sewer collection system in the Township around Portage Lake, and to pump that collected wastewater to the Little River Band of Ottawa Indians (LRBOI) for treatment and disposal. This option was landed on after completing a feasibility study and discussing several options for sewage treatment.

3. How will the sewage be “delivered” to the LRBOI for treatment?

After the wastewater is collected through the underground sewers, a pump station will then pump the sewage to the Wastewater Treatment Plant the LRBOI currently owns and operates.

4. How will the Township pay for this system?

The project will be funded by the United States Department of Agriculture, Rural Development (RD), through a low-interest loan and anticipated grant. Grants can be issued up to 45% of the costs. The Township will not know the loan/grant breakdown until the application for funding through Rural Development has been made. The Township is not obligated to use any of the money awarded to them from this application.

Since a portion of this project is anticipated to be paid for by a low-interest loan through RD, the Township will need to pay the loan back over the stipulated loan period (40 years). The Township can accomplish this several different ways; the most common is to create a special assessment district that will be used to provide funds to repay the loan. The special assessment, together with user fees, will cover the loan repayment costs and the costs associated with operating and maintaining the system.

5. What are the next steps?

Moving forward the next steps are as follows:

- Complete the Public Meeting and take public comments on the project.
- Submit the Rural Development funding application.
- Meet with the Township constituents that would be part of the Special Assessment District to gauge interest in moving forward based on the loan/grant amounts offered by RD.
- If moving forward, begin survey and design.
- This would be anticipated as a 2017/2018 construction project depending on if/when design starts.