

NORTHFIELD TOWNSHIP INTENT TO ISSUE CAPITAL IMPROVEMENT BONDS FOR SEWAGE DISPOSAL SYSTEM IMPROVEMENTS

Frequently Asked Questions

The Wastewater Treatment Plant (WWTP) needs a retention tank. Why and what would it do?

During heavy rains, especially in the spring, the WWTP receives so much flow that it is overwhelmed and the wastewater cannot be fully cleaned before releasing it into the environment. Northfield Township has been cited by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) for this and they are strongly pushing the Township to build a retention tank.

A retention tank at the WWTP would receive and hold excess flows of wastewater and spread it out over time to be treated. You see a similar concept to a retention tank with ponds at a business, housing development, etc., to hold storm water run-off.

What will it cost?

Estimates prepared last fall when interest rates and material costs were higher resulted in a project cost not to exceed \$ 4.665 million, but recent bids suggest it will be less than \$ 4 million.

How would it be paid for and who would pay for it?

The Township would issue bonds borrowed at low interest. The bonds would be repaid over 20 years, much like a house mortgage. Users of the system would pay for it in their quarterly sewer bills.

How much would my quarterly sewer bill go up?

The retention tank would result in an increase of \$ 5 to \$ 10 per quarter. However, other future increases may also include the cost of other needed capital needs and inflation to operating costs so an increase in a quarterly bill cannot be solely attributed to the proposed tank.

Why would it be funded by capital improvement bonds instead of revenue bonds?

To save money. Revenue bonds are more expensive because they are only backed by revenue from the WWTP. Even though it is unlikely that a community would default, bond buyers are willing to take lower interest rates if it's a safer investment because it's backed by the full faith and credit of the entire township.

When would construction begin and when would it be done?

If approved, we expect to begin construction in the spring of 2021 and finish late 2021 or early 2022.

Where can I get more information?

http://www.twp-northfield.org/board_of_trustees_minutes_and_agendas/index.php

The most recent information is available in the board packets of 8/11/20, 5/26/20, 2/25/20, 2/11/20, 8/27/19, 8/13/19, 5/14/19, and 3/26/19*.

*State-of-the-system informational meeting with Powerpoint presentation.