

**IRON RIVER CITY COUNCIL
SPECIAL MEETING – DEQ CONSENT ORDER
MONDAY, DECEMBER 8, 2003
2:00 P.M.**

The meeting was called to order at 2:00 p.m. in the Legion Room of the Iron River City Hall, with Mayor Charlotte Soderbloom presiding.

The Pledge of Allegiance was recited.

Members present included Tom Beber, Ray Coates, Roger Zanon, Virgil Thompson, Mayor Charlotte Soderbloom, City Manager Rick Commenator and City Clerk Peggy Shamion.

Ben Theory, Steve Casey and Arthur Scheck also attended the meeting.

The purpose of the meeting was to discuss the Consent Order and escrow account with MDEQ representatives.

Steve Casey of MDEQ opened the meeting by recapping the situation. The old City of Iron River had a number of raw sewage discharges and several of them were unreported, which is in violation of the law and punishable of up to \$25,000/day fine. When negotiations were going on to deal with the violations, DEQ offered the city two choices; first they pay a substantial fine and still have to correct the overflows. The second option (the one the city choose and paid \$7,500) was to pay a small fine and set aside an escrow account which would be used to fix the source of the problems.

Casey stated that it would cost the city approximately \$20 million dollars to replace our sewer system today.

Commenator informed the board that a manhole on Franklin Street clogged up and discharged to the ground, during Thanksgiving weekend. He did report this to Mr. Casey today.

The consent order was signed and agreed to that the city would put aside \$220,000/yr; \$81,000 of which was already in the proposed budget for sewer lines.

The consent order also required that the Riverside Lift Station be fitted with a telemeter alarm system.

Commenator reported that there is an army surplus generator that is on site that we do not have the schematics for and the local engineers have no way to figure out how to hook it up.

Steve Casey told the board that he visited the Riverside Lift Station and there is no back up alarm, nor is there any telemeter alarm.

Coates said he knew of a business that could fix the generator and he would get the name and address to Manager Commenator.

Commenator stated that at this time the city needs to look at wiring the generator and getting an alarm on the pump station.

Casey pointed out that when we entered the order we entered into a contract and the contract calls for a stipulation for failure to comply of a fine of \$500/day. Lansing officials told Casey that unless the city can "show cause" within the boundaries of the contract, they will be penalized. The alarm was due over a year ago at the Riverside Lift Station.

Coates questioned the \$81,000 figure that the city has to come up with. After discussions with Casey, Manager Commenator discovered that it was taken from the 2001-2002 budget as reported by Rosalie King, money that we had proposed to expend on sewers. The detailed page showed that the \$81,000 was made up of sewer lines and lift stations figures. The \$81,000 is included in the \$227,000 but doesn't necessary mean that it has to be escrowed and whatever monies that we expend in a fiscal year from either of those two activities can be deducted from the amount of money that we have to have in the escrow account. Commenator then added up what the city spent last year in those two activities, which totaled \$87,000; we can take that money off of what we have to put into the escrow account. He noted the auditor calculated that as of June 30, 2003, the escrow account was supposed to have \$208,000 and that we had taken \$48,343 off of that, leaving us a required escrow account of \$159,800; we only had \$56,000 in the bank on 6-30-03, which left us \$104,000 short. By being able to take off those two activities leaves the city with a deficit of \$44,000.

Steve Casey said that there was a report that was due by 7-31-03 to the DEQ. They would send a letter back to the city letting them know what was approved or not approved. The expenditures had to be approved.

Steve Casey suggested the city put together an explanation of what happened and why and try to explain the things that didn't happen in terms of what the consent order says are allowable, and send it in to the DEQ.

DEQ will then send out a demand letter stating that the city hasn't met the terms and what the fine will be. (it would be more productive if the DEQ received a letter from the city first)

Zanon was concerned that the prison (located in the township) pays less than what residents pay and wanted to know how the state justifies that.

Casey said that in most cases, the service provider sets the fee not the person that is getting the fee, so the Department of Corrections can't dictate to the Township what they are going to pay. (there may be a contractual arrangement in a contract)

Beber said the Sewer Authority sets how much the Township has to pay in and then the Township divides it as they see fit.

Beber moved with Coates supporting to adjourn the meeting of 2:55 p.m. All were in favor. Motion carried.

Peggy Shamion,
City Clerk