



# HOUSE of REPRESENTATIVES

## STATE OF MICHIGAN

### Appropriations Requests for Legislatively Directed Spending Items

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1. The sponsoring representative's first name:  
Joseph
2. The sponsoring representative's last name:  
Fox
3. The cosponsoring representatives' names. All cosponsors must be listed. If none, please type 'n/a.' A signed letter from the sponsor approving the co-sponsorship and a signed letter from the member wishing to co-sponsor are required. Attach letters at question #9 below.  
Rep. Kelly
4. Name of the entity that the spending item is intended for:  
Lake Mitchell Sewer Authority
5. Physical address of the entity that the spending item is intended for:  
3161 South Lake Mitchell Drive, Cadillac, MI 49601
6. If there is not a specific recipient, the intended location of the project or activity:  
n/a
7. Name of the representative and the district number where the legislatively directed spending item is located:  
State Representative Joseph Fox, 101st District
8. Purpose of the legislatively directed spending item. Please include how it provides a public benefit and why it is an appropriate use of taxpayer funding. Please also demonstrate that the item does not violate Article IV, S 30 of the Michigan Constitution.  
The Lake Mitchell Sewer Improvement Project began in 2022 following an Administrative Consent Order from the Michigan Department of Environment, Great Lakes, and Energy (EGLE). The sewage system, which was built nearly 50 years ago and previously operated by Wexford County, has experienced several Sanitary Sewage Overflows over the past few years due to pump failures. While nearly 57 grinder pump stations (GPS) have been rehabilitated since 2022, another 140 require updates. The Lake Mitchell Sewage Authority (LMSA) has exhausted its options for funding, including

taking out a \$9,388,000 loan from the USDA. The LMSA's only revenue comes from sewer rates across three townships (Selma, Cherry Grove, and Clam Lake). User fees have increased significantly over the past ten years, from \$31.73 per month in 2016 to \$174 per month, because of the urgent need for system improvements. Unless additional funding is secured, residents (>800 users) and local businesses will continue to face sharp rate increases. Many users served by the LMSA are income limited and rely on financial assistance. Today, 9% of users are delinquent on payments which puts property owners at risk at foreclosure and the community at large on the brink of a housing crisis. The requested \$5 million will accomplish far more than just providing financial relief to residents and businesses who rely on the sewer system. Lake Mitchell and Lake Cadillac—which are connected by a canal—provide a source of economic vitality for neighboring communities. The Lake Mitchell State Park and Hemlock Campground both depend on clean water from the system to support a thriving tourism industry and recreational activities such as fishing, boating, swimming, kayaking, and snowmobiling. The canal connecting the two lakes also feeds into the Clam and Muskegon Rivers, as well as Lake Michigan. By upgrading failing GPS, environmental harms such as runoff pollution can be mitigated. All said, timely improvements to this watershed's sewage system are of vital importance, both to its daily users and to the State of Michigan as a whole.

9. Attach documents here if needed:

Attachments added to the end of this file.

10. The amount of state funding requested for the legislatively directed spending item.

5000000

11. Has the legislatively directed spending item previously received any of the following types of funding? Check all that apply.

["Federal","State"]

12. Please select one of the following groups that describes the entity requesting the legislatively directed spending item:

Local unit government

13. For a non-profit organization, has the organization been operating within Michigan for the preceding 36 months?

Not applicable

14. For a non-profit organization, has the entity had a physical office within Michigan for the preceding 12 months?

Not applicable

15. For a non-profit organization, does the organization have a board of directors?

Not applicable

16. For a non-profit organization, list all the active members on the organization's board of directors and any other officers. If this question is not applicable, please type 'n/a.'

n/a

17. "I certify that neither the sponsoring representative nor the sponsoring representative's staff or immediate family has a direct or indirect pecuniary interest in the legislatively directed spending item."

Yes, this is correct

18. Anticipated start and end dates for the legislatively directed spending item:

The LMSA believes that 50 GPS can be rehabilitated within 6 months after funding has been dispersed. That said, however, factors such as time of year, climatic conditions, contractors and component availability, and engineering specifications yet to be determined may impact the anticipated start and end dates.

19. "I hereby certify that all information provided in this request is true and accurate."

Yes

# Constituent Sewer User Analysis

District	House Representative	Number of Constituent's Sewer	District	House Representative	Number of Constituent's Sewer Users	District	House Representative	Number of Constituent's Sewer Users
1	Tyrone Carter	0	51	Matt Maddock	3	101	Joseph Fox	522
2	Tullio Liberati	0	52	Mike Harris	2	102	Curtis Vanderwall	1
3	Alabas Farhat	0	53	Brenda Carter	0	103	Betsy Coffia	7
4	Karen Whitsett	0	54	Donni Steele	2	104	John Roth	6
5	Regina Weiss	5	55	Mark Tisdell	8	105	Ken Borton	2
6	Natalie Price	0	56	Sharon MacDonell	4	106	Cam Canitt	2
7	Tonya Myers-Phillips	0	57	Tom Kuhn	1	107	Parker Fairbairn	0
8	Helena Scott	3	58	Ron Robinson	1	108	David Prestin	1
9	Joe Tate	0	59	Douglas Wozniak	4	109	Karl Bohnak	0
10	Veronica Paiz	3	60	Joseph Aragona	4	110	Gregory Markkanen	0
11	Donavan McKinney	0	61	Denise Mentzer	3			
12	Kimberly Edwards	2	62	Alicia St.Germaine	1			
13	Mai Xiong	0	63	Jay DeBoyer	1			
14	Mike McFall	0	64	Joseph Pavlov	0			
15	Erin Byrnes	0	65	Jaime Greene	0			
16	Stephanie Young	1	66	Josh Schriver	5			
17	Laurie Pohutsky	0	67	Phil Green	2			
18	Jason Hoskins	1	68	David Martin	2			
19	Samantha Steckloff	1	69	Jasper Martus	4			
20	Noah Arbit	4	70	Cynthia Neeley	1			
21	Kelly Breen	3	71	Brian BeGole	5			
22	Matt Koleszar	4	72	Mike Mueller	1			
23	Jason Morgan	4	73	Julie Brixie	1			
24	Ranjeev Puri	4	74	Kara Hope	5			
25	Peter Herzberg	1	75	Penelop Tsernoglou	5			
26	Dylan Wegela	0	76	Angela Witwer	5			
27	Rylee Linting	1	77	Emily Divendorf	6			
28	Jamie Thompson	0	78	Gina Johnsen	4			
29	James DeSana	1	79	Angela Rigas	11			
30	William Bruck	1	80	Phill Skaggs	9			
31	Reggie Miller	1	81	Stephen Wooden	15			
32	Jimmie Wilson Jr.	1	82	Kristian Grant	3			
33	Morgan Foreman	2	83	John Fitzgerald	2			
34	Nancy Jenkins-Arno	1	84	Carol Glanville	21			
35	Jennifer Wortz	0	85	Bradley Slagh	12			
36	Steve Carra	1	86	Nancy DeBoer	6			
37	Brad Paquette	0	87	Will Snyder	1			
38	Joey Andrews	2	88	Greg VanWoerkman	4			
39	Pauline Wendzel	0	89	Luke Meerman	7			
40	Matt Longjohn	0	90	Bryan Posthumus	17			
41	Jule Rogers	3	91	Pat Outman	4			
42	Matt Hall	0	92	Jerry Neyer	6			
43	Rachelle Smit	2	93	Tim Kelly	15			
44	Steve Frisbie	1	94	Amos O'Neal	3			
45	Sarah Lighter	2	95	Bill Schuette	6			
46	Kathy Schmaltz	1	96	Timothy Beson	0			
47	Carrie Rheingans	1	97	Matthew Bierlein	9			
48	Jennifer Conlin	4	98	Gregory Alexander	1			
49	Ann Bollin	1	99	Mike Hoadley	0			
50	Jason Woolford	0	100	Tom Kunse	3			

  

<b>Total Out of District 101</b>		<b>316</b>
<b>Total In District 101</b>		<b>533</b>

  

<b>Out-of-State Sewer Users</b>	
State	Number of Sewer Users
CA	4
CO	2
HI	1
IL	9
IN	7
FL	8
KY	1
NC	3
NJ	2
NM	
NV	1
OH	9
SC	1
TX	2

  

<b>Total Out-of-State</b>	<b>50</b>
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\*This data was analyzed based on the user's mailing address. The analysis does not account for users that have second homes and have their mail forwarded during winter months.

## LAKE MITCHELL SEWER AUTHORITY

Lake Mitchell Sewer Authority Operations Office  
3161 South Lake Mitchell Drive  
Cadillac, Michigan 49601

## CONTACT INFORMATION

Office: 231-775-0155  
Fax: 231-775-0156  
operationsoffice@lakemitchellsewer.com  
www.lakemitchellsewer.com

April 1, 2023

Representative Joseph Fox  
House Office Building 13-1385  
P.O. Box 30014  
Lansing, MI 48909

Re: Request for Appropriation Funding for the Lake Mitchell Wastewater Improvement Project

Dear Representative Fox:

As a follow up to the discussions we have had with you and your staff we are requesting that you present a bill to the appropriations committee for funding. Thank you for your efforts in previous years. Our hope is that as this important need is again considered that the funding request will be approved. Due to the fee increases that we have been forced to implement we are finding more of the property owners who can not afford to pay their bill.

### **Project Description:**

The Lake Mitchell Sewer Improvement Project consists of rehabilitating 52 existing grinder pump stations to include new pumps, piping, valves, controls, appurtenances, and performing spot repairs. It also includes engineering/project management.

### **Detailed budget how the funds will be used:**

\$ 120,000 - Engineering/Project Management

\$ 4,880,000 - Approximately (52) grinder pump stations will be rehabilitated. Improvements to these stations will include new pumps, controls, valves, fittings, and exterior discharge piping.

### **Justification for the Project:**

The majority of pumping stations/transmission lines are well past their useful life (nearing 48 yrs). Due to the age/condition of the system, pump failures, cracked discharge lines, and failing components are more frequent. Replacement parts are also a major issue.

LMSA has had several Sanitary Sewer Overflows. As a result, the Michigan Department of Environment, Great Lakes, and Energy (EGLE) issued LMSA an Administrative Consent Order (ACO) that was finalized on 9/14/22. The ACO outlines the steps LMSA must take to improve the system's performance with an overall Improvement Project currently estimated at over \$25M to address public safety, environmental, and watershed concerns. While upgrades are already being completed, the ACO requires LMSA to submit a Construction Schedule by 9/1/25 for completion of the remainder of the Improvement Project. Currently LMSA does not have adequate funds to complete this project.

Neglecting the needs of the system will only cause future system failures, overflows, resulting in health hazards, environmental pollution, excessive operations and maintenance expenses, and potential fines from EGLE. There is great concern regarding the watershed because a canal connects Lake Mitchell to Lake Cadillac, that feeds into the Clam and Muskegon Rivers, that

ultimately feeds Lake Michigan. The failing/deteriorated sewer infrastructure, if not repaired soon, has the potential to further impact other areas in Michigan creating additional concerns. This is a high priority Sewer Infrastructure issue. LMSA has taken an aggressive approach to protect the public, environment, wildlife, and watershed concerns. In August of 2023, LMSA finalized a 40-yr USDA RD loan in the amount of \$9,388,000 based on engineering estimates to complete the entire improvement project. The bids for the Sewer Improvement Project, greatly exceeded the projected estimate and RD loan amount. The funds received from RD, in addition to almost \$1M LMSA contributed, will only complete a portion of the Improvement Project.

**Timeline and anticipated completion date for the project:**

With the RD funds, LMSA is nearing the construction phase of fifty-seven grinder pump stations (GPS). In addition, updating the system's lift stations is currently in process and will be completed with funds from the RD loan. Nine additional GPS will be upgraded with a small grant from EGLE.

This will leave the remaining GPS to upgrade for which the engineering is complete. As soon as LMSA receives notification of the funding commitment, the project could go out for bid shortly thereafter. LMSA is diligent in completing the Sewer Improvement Project as effectively and efficiently as possible. Depending on when the funds are received, the Sewer Improvement Project could be completed within six months.

**The community benefits of this project and why it is a priority:**

The benefit of receiving assistance would have a substantial economic benefit to the local area, ensuring LMSA's compliance of EGLE's Administrative Consent Order, to ensure public safety, protect the environment, wildlife, and watershed concerns that have the potential to reach the shorelines of Lake Michigan.

LMSA was established in 2016 when Wexford County transferred the sewer system that had been inadequately maintained and upgraded to the township and ultimately to the sewer authority without out any funds to improve the system. LMSA's sole revenue source is derived by sewer rates and fees. The system serves not only users who live directly on the lake, but many who live on back lots and side streets. There are approximately 890 residents connected to the sewer system, many on fixed incomes and rely on financial assistance, if available to them. LMSA recognized the need to upgrade the system and started increasing user rates. Rates in 2016 were \$31.73/month. Today, user rates are \$174/month and are projected to increase to \$250 without additional grant funding. The residents are concerned about being forced to sell their homes and some may result in foreclosure.

As of today's date, LMSA's delinquent amount for accounts more than one month past due is \$168,880.71. Once a year, LMSA turns over delinquent sewer amounts to the townships and are added to the user's property tax bill, for collection purposes. This places a lien on their property which if left unpaid will lead to a loss of their property. Last year 5% of the property owners had delinquent accounts that were turned over to the county and most of these have not paid anything since then with many facing the very real possibility of losing their place to live. Currently over 9% of the property owners are delinquent on the sewer bills. Even though approval of this request will help move towards the completion of the improvement project, it will not relieve the burden caused by the already extremely high rate.

LMSA also has small business owners that are users and are genuinely concerned about staying in business. For example, there is a restaurant that pays \$2,260.27 per month, a campground that pays \$1705.19, a small business office that pays \$420.00 per month, and a store front that pays \$271.96 to mention a few. The small businesses play a vital role in the local community.

Lake Mitchell is enjoyed by more than the users of the sewer system. Throughout history, Lake Mitchell and Lake Cadillac have provided a source of economic vitality for our rural community. Today, the lakes help sustain a thriving tourism industry and is a focal point for many. People come to our community to enjoy activities such as fishing, boating, swimming, kayaking, snowmobiling, and so much more. The lakes are also the home for Mitchell State Park and Campgrounds, Hemlock National Forest Campground, and Camp Torenta; a summer camp for youth.

As you can see, this is a high priority infrastructure funding issue for its rural community. This funding plays an important role in the success and sustainability to the community as a whole and not just the users. It would also lessen the financial burden on many of the property owners and help preserve Northern Michigan tourism industry, local businesses, and property values. Neglecting the needs of the system is not an option as it will only cause future system failures and sewer overflows, resulting in health hazards, environmental pollution, excessive operations and maintenance expenses, and additional fines from EGLE.

**The project is intended to benefit:**

The Improvement Project will benefit not only the users directly on the system but will also benefit the public as a whole and all that enjoy the lakes and rivers by ensuring public safety and the protection of the environment, wildlife, and watershed are met. It will help protect other areas in Michigan because of how the water from Lake Mitchell travels throughout Michigan and eventually reaching Lake Michigan. The benefit will also affect small business owners, tourism, and local economy.

**Known or Anticipated community Concerns:**

The community is concerned about public safety, environmental impacts, and watershed contamination if the sewer system is not repaired soon. They are concerned about the potential impacts to their well water. There is also great concern regarding the additional impacts to other Michigan communities as well because of the potential watershed impact. A canal connects Lake Mitchell to Lake Cadillac, that feeds into the Clam and Muskegon Rivers, and eventually to Lake Michigan. Attached is a Constituent Sewer User Analysis that clearly shows bi-partisan support is favorable.

In addition, users of the LMSA sewer system are extremely concerned about the excessive sewer rates and the impact on housing. They see the potential for decreased property values, and the inability to sell their home. Some users of the system are already seeing the impact and are struggling to have affordable housing.

Because this is a rural Northern Michigan community, it is fortunate to have Lake Mitchell and Lake Cadillac, which draw many tourists to the area. There is concern that if continued sanitary sewer overflows occur and the system is not repaired in the near future, it will have a substantial negative effect on the local economy.

I would also encourage you to contact Brian Jankowski, with the Michigan Department of Environmental, Great Lakes, and Energy (EGLE) at 231-429-5686 for further information relating to the ACO. If you have any questions or concerns regarding the project, please do not hesitate to contact me directly at 616-560-3057.

Since the properties served by the system are around Lake Mitchell, many other Michigan State Representative have constituents who are served by the system. Attached is a spreadsheet showing an analysis with the number of constituents by House Representative as best we can determine. Obviously there many others who rely on having non-polluted water in Lake Mitchell than just the sewer users themselves. While clearly you have the most constituents directly affected by the sewer, I am wondering if reaching out to others who have a number constituents to co-sponsor would make sense. I would be great to see this as a bipartisan effort.

The LMSA Board members and I look forward to the opportunity to meet with you to discuss this Improvement Project further. Thank you for your time and consideration.

Sincerely,

*David Kuyers*

David Kuyers, Chair Person  
Lake Mitchell Sewer Authority  
3161 South Lake Mitchell Drive  
Cadillac, MI 49601  
Cc: LMSA  
Senator Hoytenga