Northport Leelanau Township Utilities Authority
Regular Meeting Minutes — DRAFT
October 13, 2026 – 9:30 a.m.

I. CALL TO ORDER
Chair Chris McCann called the regular meeting to order at 9:30 a.m.

II. ROLL CALL
Board Members Present: Chris McCann, Mike McMillan, Barbara Conley, James Root, and Chris Holton.

Board Members Absent: None.

Staff Present: Clerk Joni Scott was present. Jacobs representatives and Aaron Stevens, Maner Costerisan Authority's auditor participated during their respective agenda items.

III. ADDITIONS OR CORRECTIONS TO THE AGENDA
No additions or corrections were offered. The agenda was approved as presented by voice vote.

IV. APPROVAL OF MINUTES
Barbara Conley requested a correction to the August 11, 2026 regular meeting minutes to reflect that the motion carried by a vote of 4–1 for the Richardson Letter.

Chris McCann Moved, Supported by Mike McMillan, to approve the August 11, 2026 regular meeting minutes as amended. Motion carried

V. PUBLIC COMMENT / CORRESPONDENCE
Randy Koch asked whether the Authority would consider holding an informal question-and-answer session regarding the wastewater treatment plant and proposed improvements. Chair McCann responded that the Board was open to the idea of allowing the public to ask questions.

NLTUA Attorney Tom Grier was provided a letter in response to the Richardsons attorney.

VI. PAYMENT OF BILLS
Clerk Scott presented bills for August through October totaling $101,466.74, including quarterly debt-service payments.

Barbara Conley Moved, Supported by Mike McMillan, to approve payment of bills totaling $101,466.74. Roll Call Vote: McCann – Yes; McMillan – Yes; Conley – Yes; Root – Yes; Holton – Yes. Motion carried, 5–0.

VII. STAFF REPORTS

A. Clerk's Report

Clerk Scott presented the trial balance and her written report. She explained that the revenue and expenditure report had not been included in the printed Board reports and agreed to email it to Board members following the meeting. She reported that monitoring well reports, referred to as Discharge Monitoring Reports (DMR reports), dating back to 2023 had been downloaded and posted directly on the Authority website, with earlier reports to be added where available. She also discussed the effluent flow meter, the bypass used during summer high-flow periods, and additional documentation to be provided in connection with the EGLE response. A Board member disclosed that attorney Parker Harvey represented the member in a separate matter involving no apparent conflict with the Richardson property issue.

B. Deputy Treasurer's Report:

The report was received without substantive discussion.

C. Superintendent's Report:

Superintendent Chris Holton reported that the Rose Street culvert project remained on hold pending scheduling of DTE gas-line work. The project requires lowering the sewer force mai and water main. He also reported prospective sewer connections near Smith Street and on West Third Street, with construction timing uncertain.

D. Jacobs Monthly Report:

The Board reviewed the Jacobs operating reports and discussed regulatory compliance, maintenance work, and repair hours exceeding the routine contract allowance. Clerk Scott explained that additional repair hours are identified separately in billing and in the Authority budget. The Board had previously requested consideration of increasing the included hours in the next Jacobs contract.

VIII. DISCUSSION / ACTION ITEMS

A. **Audit Report – Maner Costerisan**:

Aaron Stevens of Maner Costerisan presented the Authority's financial audit for the fiscal year ended February 28, 2026. He reported an unmodified audit opinion, meaning the financial statements were fairly presented in all material respects. Total net position was approximately $633,000, of which $316,479 was unrestricted. He reported a current ratio of 3.25 and recommended a minimum unrestricted net-position target of approximately $370,000, reflecting three months of operating costs, anticipated debt service, and planned capital needs.

The Board discussed the Authority's financial condition, internal procedures and written policies. Stevens described improved financial trends since the earlier audited periods and thanked staff for cooperation during the first-year engagement.

B. Jacobs Capacity Study, Tasks 3–5, and Capital Improvement Plan:

Stephen Roberts of Jacobs, assisted by wastewater process specialist Christy McCarthy via Zoom, presented the findings of the Capacity Study and proposed Capital Improvement Plan (CIP). The presentation addressed the treatment plant's existing capacity, operational limitations, recommended improvements, future growth, and associated capital costs.

Existing Treatment Capacity

Jacobs reported that the plant was originally designed for an average influent flow of 132,000 gallons per day (GPD), with a peak-hour design capacity of approximately 488,000 GPD. Based on current operating conditions, Jacobs estimated the plant's effective peak hydraulic capacity at approximately 144,000 GPD, primarily due to limitations in the existing sand filters and solids separation equipment. The study identified a maximum monthly average influent flow of approximately 78,000 GPD.

Jacobs explained that the biological treatment process has available capacity, but hydraulic and solids-handling limitations restrict the plant's overall performance.

Recommended Short-Term Improvements

Jacobs recommended two primary improvements to restore the plant's intended operating capacity:

- **Automated Flow Equalization:** Utilize existing Basin 2 to temporarily store peak flows and return them to treatment at a controlled rate. Jacobs estimated approximately 284,000 gallons of usable equalization storage.
- **CAF-to-DAF Retrofit:** Convert the existing cavitation air flotation (CAF) system to dissolved air flotation (DAF) to improve suspended solids removal and treatment efficiency.

Jacobs indicated that these improvements would help restore the plant's ability to operate at its original design capacity of 132,000 GPD, rather than increase its design capacity beyond that amount. The approximately 68% improvement referenced in the presentation represents an increase from the current operating-flow basis to the original design capacity.

Sand Filter Alternatives

Clerk Scott questioned why operating the two existing sand filters in parallel was not recommended as an alternative to replacing filtration equipment. Jacobs explained that while the manufacturer indicated the configuration was feasible, the combined capacity would remain approximately 288,000 GPD, insufficient to accommodate the plant's original peak-hour design flow. Jacobs also indicated that the modifications could be more expensive than the proposed equalization improvements.

Long-Term Improvements and Capital Costs

Jacobs presented longer-term alternatives, including replacement tertiary filtration, a new DAF facility, and potential additional MBBR treatment capacity. These improvements could support an expanded average treatment capacity of approximately 196,000 GPD, with additional improvements required for further expansion.

The proposed short-term capital improvements were estimated at approximately $2.46 million.

The Board questioned the necessity and timing of the proposed improvements, particularly whether investments in the existing CAF system would remain beneficial if a larger DAF facility were constructed in the future. Members also discussed the financial implications of major capital improvements and the importance of prioritizing projects based on actual system needs and anticipated growth.

Permit Limitations and Flow Monitoring

The Board discussed the Authority's existing EGLE permit limitation of 132,000 GPD for daily influent flow, compared with the permitted effluent discharge capacity of 405,000 GPD. Jacobs indicated that applying a daily maximum at the plant's average design capacity is unusual, particularly during significant rainfall events.

Discussion included pursuing a permit modification to establish a monthly average influent limitation or potentially eliminate the daily maximum in favor of reporting requirements. The Authority's permit renewal application has been pending since 2020.

The Board also discussed the existing three-inch effluent flow meter, bypass operations during higher flows, and EGLE's compliance requirements.

Collection System and Solids Handling

Jacobs reviewed collection-system modeling, noting that the system generally has adequate capacity during dry-weather conditions, while significant rainfall events can create localized capacity concerns. The Board discussed infiltration and inflow, the impact of extreme rainfall, and the importance of addressing these issues when evaluating future capacity needs.

The presentation also addressed sludge accumulation and solids handling. Jacobs explained that the study's process modeling has limitations in predicting certain operating conditions, particularly where solids remain in treatment basins for extended periods.

Future Development and System Capacity

Board members questioned how many additional residential equivalent units (REUs) or sewer connections the existing treatment plant could accommodate and how that number would change following the recommended improvements.

Jacobs explained that determining the number of additional REUs depends on several factors, including the type and extent of future development, anticipated wastewater flows, and the characteristics of the additional loading. Rather than providing a specific number of connections, Jacobs presented projected treatment capacities of 132,000 GPD following the short-term improvements and approximately 196,000 GPD with the longer-term expansion alternatives.

Discussion also included the original Sewer Assessment District, properties not yet connected, and the importance of understanding future development demands before committing to major capital improvements.

Chair McCann acknowledged that the Board is continuing to work toward determining how many additional users the system can accommodate and that a definitive number is not yet available.

Next Steps

The Board expressed the need for additional information and further discussion with Jacobs before determining which capital improvements should proceed. Members also discussed providing an opportunity for additional public questions and continuing the Capacity Study discussion at a future meeting.

IX. PUBLIC COMMENT

Elizabeth Mallek expressed concern about the estimated $2.46 million in proposed improvements and questioned how the Authority intends to fund the projects. She suggested that the Village and Township consider alternative funding methods that would distribute some of the costs across the broader community rather than placing the entire burden on existing sewer customers. She referenced the original purpose of the sewer system and suggested exploring a community-wide clean water fee as one possible funding source. Mallek also emphasized the importance of accounting for existing unconnected properties and determining how much additional growth the system can accommodate. She encouraged continued public discussion before major financial or capital improvement decisions are made.

X. MEMBER COMMENT

Chair McCann thanked Jacobs for the presentation and acknowledged that the question of how many additional users the plant can accommodate remains unresolved. He stated that the Board needed time to review the findings and anticipated further discussion and public involvement.

XI. ADJOURNMENT

The meeting adjourned at approximately 11:21 a.m.

Respectfully submitted,
Joni Scott
NLTUA Clerk