



City Council Agenda Item Report

FROM: Ryan Cummins, City Manager

MEETING DATE: December 17, 2025

SUBJECT: Resolution No. 251217-A Exercising the City of Saugatuck's Right of First Refusal to Purchase Wastewater Treatment Plant Capacity from the City of the Village of Douglas

DESCRIPTION:

As discussed at the November 19 workshop, the City of the Village of Douglas provided formal notice of its intent to sell 55,000 gallons per day (gpd) of wastewater treatment plant capacity to Saugatuck Township for \$252,340, triggering the City of Saugatuck's Right of First Refusal (ROFR) under Section 9(e) of the existing sewer operations agreement.

Our engineers at Fleis & VandenBrink (F&V) have advised the City will not need "additional capacity in the reasonably near future". However, F&V has noted the low pricing compared to the cost to construct the same amount of additional capacity.

The communities are also working to update our KLSWA agreement ("agreement") that is proposed to last 40 years and it not being done creates a dilemma. We have an opportunity to purchase additional sewer capacity at a great price now, and we don't know what will be in the final agreement to protect our future interests. During the negotiations we have had, the City has asked for the ROFR language to remain in the updated agreement and to date, this language has not been included. It is important to note that we aren't asking for something new to be added. Just an existing right to remain. The ROFR provisions were intentionally included in the existing agreement following prior litigation between Douglas and the City in 2008, and were adopted by resolution of both governing bodies to protect the long-term capacity needs and financial interests of the communities that constructed and funded the wastewater treatment system.

At that workshop, City Council expressed a preference to not exercise the ROFR if Douglas and Saugatuck Township were willing to commit to retaining the existing ROFR language in our updated water-sewer agreement. Council viewed this as a reasonable compromise that would

protect the City's long-term interests without requiring immediate purchase of additional capacity.

Following that meeting, City staff communicated Council's position to both Douglas and Saugatuck Township. To date, neither Douglas nor Saugatuck Township has committed to preserving the ROFR language in an updated agreement.

As a result, City Council is now required to decide whether to exercise its contractual right to purchase the capacity at the current price or allow the sale to proceed without acquiring the capacity.

Summary of the Attached Resolution

The attached resolution would formally exercise the City's right of first refusal and authorize staff to proceed with the purchase of 55,000 gpd of wastewater treatment capacity from Douglas at the same price and terms offered to the Township.

Key elements of the resolution include:

- Exercising the ROFR within the required timeframe.
- Authorizing the City Manager to provide notice, subject to separate Council approval of payment. Per the existing sewer agreement, the City will have up to 90 days to make payment. If payment is not made, Douglas may proceed with its sale to the Township.
 - Put another way, if Council approves the resolution and later chooses not to make payment, Douglas could simply proceed with its sale to the Township.
- Directing staff to continue negotiations on an updated water-sewer agreement that protects the City's long-term interests.
- Explicitly recognizing Saugatuck Township's capacity needs and authorizing negotiations for Township use of the purchased capacity through a lease, Act 425 agreement, or similar mechanism until such time as the City requires the capacity.

This approach preserves the City's ownership and long-term control of a finite infrastructure asset while still allowing regional cooperation and near-term benefits to the Township.

Pros and Cons Summary

Option	Description	Pros	Cons
Exercise ROFR (Approve Resolution)	City purchases 55,000 gpd of capacity from Douglas	• Locks in additional capacity at a low price • Preserves long-term control of a scarce asset	• Requires use of City funds now • The City would own capacity not immediately needed, which, absent a lease, Act 425 agreement, or similar arrangement, could result in the City continuing to carry a proportionally larger share of certain fixed wastewater treatment plant costs.

Option	Description	Pros	Cons
		• Avoids reliance on uncertain future agreement language • Capacity can be leased or shared with Township in interim	○ It is important to note that the City has historically held excess capacity for many years, and this circumstance was historically contemplated in the original sizing, financing, and long-term planning for the wastewater treatment plant.
Do Not Exercise ROFR	City allows Douglas sale to Township to proceed	• No immediate financial payment • Township meets short-term capacity needs	• City permanently loses opportunity to acquire capacity at current price • Future capacity may be significantly more expensive • City relies on future agreement language that is not yet secured

Recommendation

While the City does not need additional wastewater capacity in the reasonably near future, we do not have a commitment from Douglas and the Township to keep a key provision to protect our future interests. The current sewer capacity offer represents a rare and favorable opportunity to protect the City's long-term interests. The drafted resolution is structured to balance:

- Responsible stewardship of a limited and increasingly valuable public infrastructure asset.
- Protection of the City's historic investment and future growth potential.
- Continued regional cooperation that allows the Township to meet its current and foreseeable wastewater service demands.

BUDGET ACTION REQUIRED:

The purchase of the sewer capacity would require a budget amendment and recommended transfer from general fund reserves to cover the cost. The purchase price is \$252,340. The City's FY 24/25 budget anticipated adding \$750,000 to the General Fund (savings), while the audited transfer totaled \$1,186,199. Our audited fund balance is now at \$7,444,857, providing sufficient available fund balance.

A separate Council action within 90 days would be required to authorize the actual payment.

LEGAL REVIEW:

The City Attorney has reviewed and will be at your meeting if you have any questions.

SAMPLE MOTIONS:

Motion to **approve** Resolution No. 251217-A exercising the City of Saugatuck's right of first refusal to purchase wastewater treatment plant capacity from the City of the Village of Douglas.

Motion to direct the City Manager to notify the City of the Village of Douglas that the City of Saugatuck **elects not to exercise** its right of first refusal for the proposed sale of wastewater treatment plant capacity.

**CITY OF SAUGATUCK COUNTY
OF ALLEGAN STATE OF
MICHIGAN**

RESOLUTION NO. 251217-A

**A RESOLUTION EXERCISING THE CITY OF SAUGATUCK’S RIGHT OF FIRST
REFUSAL TO PURCHASE WASTEWATER TREATMENT PLANT CAPACITY FROM
THE CITY OF THE VILLAGE OF DOUGLAS**

Council Member _____, offered the following resolution and moved
for its adoption, seconded by Council Member _____:

RECITALS

WHEREAS, the City of the Village of Douglas (“Douglas”) has provided notice of its intent to sell a portion of its designated and allocated wastewater treatment plant capacity to Saugatuck Township in the amount of 55,000 gallons per day, for a total purchase price of \$252,340.00; and

WHEREAS, the City of Saugatuck (“City”) and Douglas are parties to a sewer system operations agreement that includes a right of first refusal (“ROFR”), which provides that if Douglas elects to sell, transfer, or convey any of its designated and allocated wastewater treatment plant capacity to a purchaser other than the City, such capacity must first be offered to the City on the same terms and conditions; and

WHEREAS, Section 9(e) of the current sewer operations agreement grants the City sixty (60) days from receipt of such an offer to deliver a duly authorized written election to purchase the capacity, and ninety (90) days thereafter to tender the purchase price and otherwise complete the transaction; and

WHEREAS, the ROFR provisions were intentionally included in the existing agreement following prior litigation between the communities in 2008, and were adopted by resolution of both governing bodies to protect the long-term capacity needs and financial interests of the communities that constructed and funded the wastewater treatment system; and

WHEREAS, the City, Douglas, and Saugatuck Township are presently engaged in negotiations to update the Kalamazoo Lake Sewer & Water Authority water and sewer agreements, and the absence of an updated agreement preserving the City’s existing ROFR protections creates uncertainty regarding the City’s long-term wastewater capacity interests; and

WHEREAS, during negotiations, the City has requested that the existing ROFR language be retained in any updated agreement to continue established protections tied to the City’s historic investment in the system; and

WHEREAS, despite good-faith discussions, neither Douglas nor Saugatuck Township has committed to retaining the existing ROFR provisions in an updated agreement; and

WHEREAS, the City has been advised by its engineers, Fleis & VandenBrink, that the City does not require additional wastewater treatment capacity in the reasonably near future, but the City Council recognizes that wastewater capacity is a finite and increasingly valuable asset, and that protecting future flexibility and long-term interests remains prudent municipal policy; and

WHEREAS, the City Council further finds that if the City were required to acquire additional wastewater treatment capacity at a future date, the cost would likely be substantially greater than the current purchase price being offered; and

WHEREAS, the City's budget projections for FY 24/25 anticipated \$750,000 being added to the General Fund, and the audited transfer to savings was \$1,186,199, providing sufficient available fund balance to cover the cost of the proposed capacity purchase; and

WHEREAS, at its November 19 workshop, the City Council discussed this matter and expressed its preference to forgo purchasing additional capacity if Douglas and Saugatuck Township committed, by resolution, to retain the existing ROFR provisions in an updated water and sewer agreement, as a reasonable and equitable alternative to immediate acquisition of capacity; and

WHEREAS, such commitments were not forthcoming by the requested deadline, requiring the City Council to act to protect the City's long-term wastewater capacity interests through exercise of its contractual rights; and

WHEREAS, the City Council recognizes Saugatuck Township's current and projected wastewater service needs and desires to remain a cooperative regional partner and good neighbor, and further recognizes that the Township and City would realize near-term benefits from the Township's use of additional wastewater treatment capacity; and

WHEREAS, the City Council finds that the City's acquisition of the capacity does not preclude the Township from utilizing such capacity in the interim, and that mechanisms such as a lease arrangement, Act 425 agreement, or other lawful contractual arrangement may provide a fair and mutually beneficial means for the Township to use the capacity until such time as the City requires it for its own purposes, while preserving the City's long-term ownership and control of the asset;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Saugatuck, Allegan County, Michigan, as follows:

1. Exercise of Right of First Refusal.

The City Council hereby elects to exercise the City's right of first refusal under Section 9(e) of the current sewer operations agreement to purchase 55,000 gallons per day of wastewater treatment plant capacity from the City of the Village of Douglas on the same

terms and conditions offered to Saugatuck Township, at a total purchase price of \$252,340.

2. Authorization of City Manager.

The City Manager is authorized and directed to provide written notice of the City's election to purchase the capacity and to take all other actions reasonably necessary to complete the purchase within the timeframes set forth in the agreement, subject to subsequent Council authorization of payment.

3. Future Agreement Negotiations.

The City Manager is directed to continue negotiations with Douglas and Saugatuck Township regarding an updated water and sewer agreement and to return to the City Council if future agreement is reached that includes provisions that adequately protect the City's long-term interests.

4. Interim Use of Capacity by Saugatuck Township.

The City Council affirms its understanding of Saugatuck Township's wastewater capacity needs and its intent to act as a cooperative regional partner. The City Manager is authorized to engage in good-faith negotiations with Saugatuck Township regarding a lease, Act 425 agreement, or other lawful arrangement that would allow the Township to utilize all or a portion of the purchased wastewater treatment capacity on an interim basis, subject to terms and conditions that protect the City's long-term capacity interests, financial investment, and future operational needs.

5. Payment

The City Manager shall return to the City Council within ninety (90) days to confirm authorization of the \$252,340 payment required to complete the capacity purchase.

YEAS Council Members: _____

NAYS: Council Members: _____

ABSTAIN: Council Members: _____

ABSENT: Council Members: _____

ADOPTED this _____ day of _____, 2025.

CITY OF SAUGATUCK

BY: _____
Holly Anderson, Mayor

BY: _____
Jamie Wolters, City Clerk

CERTIFICATION

I, Jamie Wolters, the duly appointed Clerk of the City of Saugatuck do hereby certify the foregoing is a true and complete copy of a resolution adopted by the City Council at a regular meeting held _____, 2025.

Signed: _____
Jamie Wolters, City Clerk



TO: Ryan Cummins, City Manager, City of Saugatuck

FROM: Lisa Nocerini, City Manager, City of Douglas

DATE: October 22, 2025

SUBJECT: Notice of Intent to Sell Wastewater Treatment Plant Capacity to Saugatuck Township

The City of Douglas is providing notice to inform the City of Saugatuck of its intent to sell wastewater treatment plant capacity to Saugatuck Township. The purchase agreement was negotiated in good faith and represents a commitment from both communities to cooperate in addressing long-term infrastructure needs and to strengthen regional relationships.

Pursuant to Section 9.e. of the 2012 Sewer Operations Contract, before Douglas may sell its capacity to the Township, it must first offer that capacity—on the same terms—to the City of Saugatuck, which has the right to acquire the capacity. The City of Saugatuck has sixty (60) days from the date of this notice to exercise its right to purchase the capacity.

If the City of Saugatuck does not exercise its right within that timeframe, Douglas may proceed with seeking approval from the Kalamazoo Lake Sewer and Water Authority (KLSWA) to complete the sale of capacity to Saugatuck Township. The terms of the proposed sale are outlined in the attached Purchase Agreement. For context, the Saugatuck Township Proposal for Sewer Capacity Purchase is also attached, which explains the Township's need for additional capacity.

If the City of Saugatuck does not wish to exercise its right of first refusal, the City of Douglas respectfully requests that written confirmation be provided to the KLSWA Commission indicating that the City does not intend to purchase the capacity. This confirmation will fulfill the requirements of the Sewer Operations Contract and allow the KLSWA Commission to consider approval of the sale.

Douglas and the Township both appreciate the City of Saugatuck's consideration and look forward to continuing to build regional cooperation and goodwill between the three municipalities through this process.

Attachments:

1. Purchase Agreement
2. Saugatuck Township Proposal for Sewer Capacity Purchase

September 10, 2025

Douglas City Council and City Manager
City of the Village of Douglas
86 W. Center Street
Douglas, MI 49406

Request to Purchase Wastewater-Treatment Capacity

Dear Mayor and Council Members,

Saugatuck Township greatly values our partnership with the City of the Village of Douglas and appreciates our joint commitment to solving regional challenges.

As the Council may be aware, the Township is rapidly approaching its allotted capacity in the regional Wastewater Treatment Plant (WWTP).

There is sewer infrastructure in the Township sufficient to carry wastewater to the WWTP, although the Township lacks necessary contractual capacity in the plant for treating wastewater. At present, the plant is operating at 47% of its design capacity, leaving substantial treatment space unused.

With the City of Saugatuck essentially built-out, future population growth and economic development will be divided chiefly between Douglas and the Township. Accordingly, the Township seeks to purchase additional treatment capacity to meet immediate capacity needs while delivering long-term financial and operational advantages to Douglas.

The Township respectfully requests to purchase **55,000 gallons per day (gpd)** of Douglas' unused treatment capacity. Consistent with the valuation method jointly adopted by our three communities, we are prepared to remit **\$252,340.00**.¹

Background and Capacity Rationale

The Township's immediate challenge is straightforward: projects already approved or pending will raise our flow to roughly 98,617 gpd within the next 18–24 months. Beyond committed capacity, we project a need for an additional 36,575 gpd for parcels previously reserved capacity that have yet to connect and parcels that will have sewer access upon an extension of the sewer system to serve a new residential development.

¹ Valuation of sewer capacity was calculated by adding the value of KLSWA capital assets (\$5,162,136) with sewer cash reserves (\$2,055,939), subtracting the outstanding debt (\$2,630,090) and dividing by the plant design capacity (1 mgd). Capacity is valued at \$45,879.85 per 10,000 gpd or \$252,340.00 for 55,000 gpd.

Per the existing Tri-Community Sewer Agreement, once a community exceeds 75% of its sewer allocation, a good faith effort must be made to secure additional sewer capacity from a municipality with unused excess capacity.

To stay ahead of that threshold, the Township secured a 14,000 gpd lease from the City of Saugatuck—raising our total capacity to 104,000 gpd—but leasing is a temporary measure.

Douglas currently owns 496,000 gpd of treatment rights, yet the WWTP is running at 47 percent utilization. Transferring 55,000 gpd to the Township would satisfy the Township's immediate capacity needs and provide a modest buffer to accommodate existing properties with reserved capacity while the feasibility of a plant expansion is studied.

After the transfer, Douglas would retain 441,000 gpd, supporting its long-range growth forecasts. To support Douglas in evaluating this request, the Township commissioned an independent Wastewater Capacity Study, which is enclosed with this proposal for Council's review.

Making Best Use of an Under-Utilized Plant

The WWTP can treat 1 million gpd and is currently operating at 47% of that capacity. Making unused capacity available to the Township has strong advantages for Douglas:

- **Add new user-equivalents.** Every new Township account broadens the revenue base and eases future rate pressure on Douglas residents.
- **Provide funding to establish sewer project fund.** The \$252,340.00 payment for acquisition can be used to establish a Douglas Sewer Capital Fund devoted to main replacements and long-term system planning, protecting the General Fund from utility costs.
- **Shift future liabilities fairly.** By increasing its ownership stake, the Township will assume a proportionally larger share of any major repair or expansion costs, thereby reducing Douglas' fiscal exposure.
- **Preserve a unified, sewer-served growth pattern.** Granting capacity keeps development in the Township on public sewer; without it, new projects would default to community-septic systems, eroding KLSWA revenue and leaving Douglas residents to shoulder rising plant costs alone.

We believe this proposal puts existing infrastructure to work, lowers long-term costs for Douglas residents, and supports balanced regional growth. Thank you once again for your partnership and for considering this request. We strongly believe that we can solve even the most challenging of issues facing our communities with a collaborative, regional approach. I would be pleased to answer any questions or to meet with Council at its convenience.



Sincerely,

Daniel DeFranco

Daniel DeFranco
Township Manager

AGREEMENT FOR PURCHASE OF TREATMENT PLANT CAPACITY

This Agreement is made as of the ____ day of _____, 2025, between Saugatuck Township, a Michigan municipal corporation with a principal address of 3461 Blue Star Hwy, P.O. Box 100, Saugatuck, MI 49453 (the "Township") and the City of the Village of Douglas, a Michigan municipal corporation with a principal address of 86 W. Center Street, P.O. Box 757, Douglas, MI 49406-0757 (the "City").

RECITALS

A. The Township and the City are parties to a Sewer System Operations Contract, dated July 1, 2012 (the "System Contract"), which provides for the joint operation of municipal sewer systems in the area by the Kalamazoo Lake Sewer and Water Authority (the "Authority").

B. Under the System Contract, the City has an allocated capacity of 0.496 million gallons per day ("MGD") in the Wastewater Treatment Plant operated by the Authority.

C. The Township desires to purchase additional treatment capacity from the City to meet the wastewater treatment needs within the Township.

D. The City is willing to sell a portion of its designated and allocated capacity to the Township on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Capacity Transfer. Subject to the terms and conditions of this Agreement, the City hereby agrees to sell, transfer, and convey to the Township, and the Township agrees to purchase from the City, fifty-five thousandths of a million gallons per day (0.055 MGD) of the City's designated and allocated capacity in the Wastewater Treatment Plant (the "Transferred Capacity"). In consideration for the Transferred Capacity, the Township shall pay to the City the sum of Two Hundred Fifty-Two Thousand Three Hundred Forty Dollars (\$252,340.00) (the "Purchase Price").

2. Payment Terms. The Purchase Price shall be paid by the Township to the City in full within thirty (30) days after the effective date of this Agreement. Payment shall be made by certified check or wire transfer to an account designated by the City.

3. Authority Approval and Documentation. This Agreement and the transfer of the Transferred Capacity is subject to approval by the Authority as required under the System Contract and any amendments or novation. The parties shall cooperate to obtain all necessary documentation from the Authority to effectuate the transfer of the Transferred Capacity, including any amendments to the System Contract, novation or other Authority records.

4. Effective Date. This Agreement shall become effective upon execution by both parties and execution by the Chair of the Authority's Board, which execution by the Chair signifies the Authority's approval of the transfer of the Transferred Capacity.

5. Post-Transfer Rights and Obligations. Upon completion of the transfer, the Township shall have all rights with respect to the Transferred Capacity as provided in the System Contract and any amendment or novation, including the right to have wastewater originating within the Township's service district treated at the Wastewater Treatment Plant up to the amount of the Transferred Capacity. The Township shall assume all liabilities and obligations with respect to the Transferred Capacity as determined under the System Contract, including any amendment or novation, and Michigan law.

6. Miscellaneous.

- A. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.
- B. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, or agreements relating thereto.
- C. Amendment. This Agreement may be amended only by a written instrument signed by both parties.
- D. Severability. If any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement shall remain in full force and effect.
- E. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.
- F. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- G. Commitment to Cooperation. The Township and the City recognize the importance of working in good faith and in cooperation with each other and with neighboring communities. This collaborative approach will help address long-term water and infrastructure needs, strengthen regional relationships, and provide a constructive framework for any future discussions, negotiations, or agreements concerning shared systems and resources.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SAUGATUCK TOWNSHIP

CITY OF THE VILLAGE OF DOUGLAS

Abby Bigford, Supervisor

, Mayor

, Clerk

, Clerk

AUTHORITY APPROVAL

, Board Chair

November 18, 2025

Mayor Anderson and Members of the Saugatuck City Council
City of Saugatuck
102 Bulter Street, Saugatuck, MI

Re: Waiver of Right of First Refusal – Proposed Sale of 55,000 GPD Treatment Capacity

Dear Mayor Anderson and Council Members,

Thank you for your thoughtful consideration of waiving the City of Saugatuck's Right of First Refusal to allow the City of the Village of Douglas to sell 55,000 gallons per day (gpd) of wastewater treatment capacity to Saugatuck Township. We appreciate the time and careful review the City continues to dedicate to matters that support the long-term success of our region.

The Kalamazoo Lake Sewer & Water Authority (KLSWA) Wastewater Treatment Plant (WWTP) is a shared regional utility resource supported by the City of Saugatuck, the City of the Village of Douglas, and Saugatuck Township. Under the existing intergovernmental agreement, each community holds an allocated share of treatment capacity:

Community	Allocated Capacity (GPD)
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City of Saugatuck	364,000 gpd
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City of Douglas	496,000 gpd
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Saugatuck Township	90,000 gpd
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The WWTP is designed to treat 1.0 million gallons per day yet currently operates at just 47% utilization. While more than half of the plant's treatment capacity sits unused, the cost to operate, maintain, and eventually replace the plant is paid entirely by current users, including the 857 City of Saugatuck ratepayers. With system users effectively subsidizing the cost associated with the 53% unused capacity, bringing additional customers onto the system is one of the most effective ways to reduce long-term financial burden on existing ratepayers and prepare responsibly for the costly repairs and eventual replacement needs that will arise as the plant—constructed in the 1970s—continues to age.

Saugatuck Township is nearing its allocated limit and requires additional capacity to serve approved development and properties that have previously contributed financially to the system but have not yet connected. The Township requires the full 55,000 gpd to meet these needs, and the quantity proposed for transfer represents what the City of the Village of Douglas can make available without affecting its long-range development projections.

Under the Tri-Community Sewer Agreement, when a municipality approaches 75% of its allocation, it may request additional capacity from a partner community with unused allocation. Saugatuck Township has followed this process in good faith over several years of study and discussion with the City of Douglas and remains committed to working collaboratively with both communities to support responsible growth and the long-term stability of the regional system.

The purchase price for the 55,000 gpd is based on the depreciated value of the wastewater treatment plant and total system assets, consistent with the methodology recommended by our municipal engineer and an

independent financial advisor. The memo submitted to Douglas explaining this calculation is included for reference.

We are sincerely grateful to the City of Saugatuck for its leadership in leasing 14,000 gpd of capacity to assist in meeting short-term needs while broader solutions were evaluated.

The proposed transfer, together with the existing lease, would enable between 225 and 246 additional users to join the regional system, strengthening the financial foundation of the WWTP and benefiting all three communities.

Supporting this transaction would:

- Bring additional users onto the system to share costs and reduce rate pressure
- Support responsible, planned growth in the Township
- Sustain a unified regional system rather than encouraging fragmented alternatives
- Make best use of existing infrastructure before expending resources on expansion

While most technical discussions around this transaction occurred between Saugatuck Township and the City of the Village of Douglas, we appreciate the important role the City of Saugatuck holds through its Right of First Refusal. The City has a meaningful opportunity to support a regional approach to utility planning that strengthens shared infrastructure and benefits residents across all three communities. Your careful consideration reflects the cooperation and thoughtful stewardship that have long characterized the Tri-Community.

We appreciate your thoughtful deliberation and continued partnership in managing regional infrastructure.

Respectfully,



Daniel DeFranco
Township Manager
Saugatuck Township

August 25, 2025

Douglas City Council and City Manager
City of the Village of Douglas
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Douglas, MI 49406

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- **Preserve a unified, sewer-served growth pattern.** Granting capacity keeps development in the Township on public sewer; without it, new projects would default to community-septic systems, eroding KLSWA revenue and leaving Douglas residents to shoulder rising plant costs alone.

We believe this proposal puts existing infrastructure to work, lowers long-term costs for Douglas residents, and supports balanced regional growth. Thank you once again for your partnership and for considering this request. We strongly believe that we can solve even the most challenging of issues facing our communities with a collaborative, regional approach. I would be pleased to answer any questions or to meet with Council at its convenience.

Sincerely,

Daniel DeFranco

Daniel DeFranco
Township Manager