

# Interjurisdictional Agreements (IJA)

THE MUSKEGON COUNTY EXPERIENCE

# Muskegon County 1960's

- ▶ Three WW treatment plants
- ▶ Large industrial flow
- ▶ Lack of capacity
  - ▶ Treatment
  - ▶ Hydraulic



# Consequences

- ▶ Lake Pollution
- ▶ Stifled Economic Growth
- ▶ Municipalities could not construct new collection system

# SOLUTION?

## Centralized Treatment Plant

Eliminate need for several small new plants

Eliminate the need to expand existing plants

# Muskegon County WW Plant

- ▶ Nearly 12,000 acre land application plant with a rated capacity of 43 mgd
- ▶ 41 miles of collection system and 10 lift stations
- ▶ Absorbed employees from existing plants
  - ▶ THE TREATMENT PROCESSES
    - ▶ Equalization
    - ▶ Biological Feeding
    - ▶ Solids Settling
    - ▶ Crop Absorption
    - ▶ Soil Filtering

# MCWTF

- ▶ Treatment Methodology
- ▶ Advantages
- ▶ Capacity
- ▶ Type of Waste Treated
- ▶ Tertiary Treatment





# Full Mix Aerator





# Aerated Settling Lagoon





# Interception Ditch



Storage Lagoons: 1,700 acres

288 Monitoring Wells

# Sludge Drying Beds



# Rapid Infiltration Beds



5200 acres of farm land





# Arrangements Selected

## Access Rights Agreement

1. Essentially a bond and capacity allocation contract.
2. Required each Local Units sign a separate service agreement with the County.
3. Convoluted capacity allocation formula.
4. Prohibitive buy-in for new Local Units.
5. Resulted in multiple lawsuits.

## Amended Service Agreement

1. Addressed problems with the original ARA.
2. Gave the Local Units limited "informed input." (AKA, the right to be ignored).

## Capacity Allocation Contract

1. Essentially another bond contract.
2. Intended to address issues with the ARA, and ASA.
3. Resulted in lawsuits over capacity issues.



# What Happened In Muskegon?

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## Unequal Benefits

Industries had disproportional benefits

1. Inconsistent metering
2. Disproportional bond payments relative to flow

## Perceived Loss of Control

Local governments perceived as being controlled by industries and larger local governments

## Lack of Communication

A platform for communication was not addressed.

No dispute resolution outside the courts.

# New Contract, New Choices

ALL THREE CONTRACTS WERE SET TO EXPIRE

# Identify and Leverage Unique Circumstance

County has no customers other than Local Units

All Plant assets paid by the current users

# Choices

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## Authority

- ▶ Political hurdles
- ▶ Legal hurdles
- ▶ No additional benefits over an IJA

## New IJA

- ▶ Few political hurdles
- ▶ Few legal hurdles
- ▶ All the benefits of an authority without the headaches

# IJA's: The Preferred Method

- ▶ Comprehensive: address the problem community wide
- ▶ Local governments can maintain autonomy and identity
- ▶ Local governments share common goals and values
- ▶ IJA's have lower transaction costs and fewer agency problems (Chen & Thurmaier, 2009), over other methods
- ▶ Provide a framework moving forward

# Shared Responsibilities

## County

- ▶ Operate, maintain, and manage the plant
- ▶ Permit holder
- ▶ Communicate with Local Units

## Local Units

- ▶ Select auditors to review the “books”
- ▶ Select engineers to review operations
- ▶ Approve expansion of the service area
- ▶ Provide input and recommendations to the County on:
  - ▶ Finance, asset management, and facilities,
  - ▶ Ordinance changes
  - ▶ Annual budget and rates

# The Muskegon County IJA

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- ▶ Flexible to meet changing needs of the community
  - ▶ Expansion and other issues are on a case-by-case basis
- ▶ Mandates input from Local Units
  - ▶ Rates, budgets, bonding, expansion...
- ▶ Provides a means for communication
  - ▶ Local Units meet with the county on a monthly basis
- ▶ Clearly defined dispute resolution system including binding arbitration
- ▶ Lower rates

# Benefits of a Single IPP Program

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- ▶ Halts developing up to 8 IPP Programs
- ▶ One Ordinance and permitting system
- ▶ One Enforcement Response Plan
- ▶ One MAHL
- ▶ One set of local limits
- ▶ Consistent Inspections
- ▶ One collection of information and data
- ▶ One Program to fund



# Muskegon County IJA Addressed Common Collaboration Problems:

1. Unequal distributing of benefits
2. Sense of loss of control
3. Lack of communication

# Platform for a Joint Decision Making Process