

—Carey & Jaskowski—

2373 S. I-75 Business Loop
P.O. Drawer 665
Grayling, MI 49738
Phone: 989-348-5232
Fax: 989-348-7102



412 S. Union Street
Traverse City, MI 49684
Phone: (231) 947-7900
Fax: (231) 947-7321

April 14, 2021

Lake Mitchell Sewer Authority
Attn: Robert Hilty, Chairman
3161 S. Lake Mitchell Drive
Cadillac, Michigan 49601

Sent via Email & Overnight Mail

RE: Lake Mitchell Sewer Authority

Dear Mr. Hilty:

Please be advised that the offices of Carey and Jaskowski, P.L.L.C and Kuhn Rogers PLC have been retained by a number of individuals whose homes are serviced by the Lake Mitchell Sewer system and who are impacted by the actions of the Lake Mitchell Sewer Authority.

Attached to this correspondence please find an unfiled Class Action Complaint against the Lake Mitchell Sewer Authority, asserting Violation of the Headlee Amendment, Assumpsit-Unreasonable Charges, and Unjust Enrichment-Unreasonable Charges.

Upon the direction of our respective clients, we are prepared to file the Class Action Complaint in the Wexford County Circuit Court. The purpose of this correspondence is to ascertain whether the concerns of our respective clients can be addressed and resolved by the Lake Mitchell Sewer Authority, without the necessity of filing the Class Action Complaint.

In addition to concerns raised in the complaint regarding the type and amount of charges being assessed to users of the Lake Mitchell Sewer system, the following are additional concerns of our respective clients:

1. Despite numerous requests for modification, the current structure of membership of the Lake Mitchell Sewer Authority does not provide adequate representation to the individual users who personally experience the financial burdens resulting from the decisions made by the Lake Mitchell Sewer Authority.
2. Our respective clients have encountered great difficulty in obtaining timely responses to questions and concerns that they have raised to the Lake Mitchell Sewer Authority. Our clients are requesting greater transparency from the Lake Mitchell Sewer Authority.
3. The current operational management and philosophy of the Lake Mitchell Sewer Authority often appears inconsistent with the fiduciary obligations owed by the Lake


Mitchel Sewer Authority to the users of the Lake Mitchell Sewer system. In addition to the above concerns of representation and transparency, our respective clients are of the opinion that alternatives to substantial rate increases are not being adequately explored and this appears corroborated by the current rates, which are far in excess of that in virtually every other similarly situated sewer system in Michigan.

4. In an effort to determine the most efficient and economical approach to provide sewer service, it is our clients' position that an independent review of the physical sewer system should be undertaken and that it is prudent to obtain opinions or estimates from entities other than Wade Trim.
5. Any fees that were inappropriately collected by the Lake Mitchell Sewer Authority as a result of overcharging or in violation of the Headlee Amendment must be refunded with interest to the individuals paying the fees.
6. Clarification must be provided regarding the \$700,000.00 "contributed" by Cherry Grove Township to the Lake Mitchell Sewer Authority. Why was this contribution made to the Lake Mitchell Sewer Authority? Did Selma Township and Clam Lake Township make a similar "contribution"? Should the \$700,000.00 "contributed" to the Lake Mitchell Sewer Authority have instead been refunded to those individuals in Cherry Grove Township paying the fees which established the \$700,000.00 fund? Have the financial obligations created by the Lake Mitchell Sewer Authority been equitably apportioned between the three (3) respective townships and their respective users of the Lake Mitchell Sewer system?

Please contact either of the undersigned within fourteen (14) days of the date of this correspondence to advise as to whether representatives of the Lake Mitchell Sewer Authority are willing to meet with representatives of our respective clients to address the concerns raised in this correspondence and the attached Class Action Complaint. Upon receipt of the aforementioned notification, a meeting can be scheduled at a date and time that is mutually convenient. In the event that no response is received within the above-stated time, our offices will assume that the Lake Mitchell Sewer Authority is not interested in resolving our clients' concerns outside of formal court litigation, and we will proceed accordingly.

Your anticipated cooperation with regard to the above is sincerely appreciated.

Sincerely,


Richard J. Jaskowski
CAREY & JASKOWSKI, P.L.L.C.


W. Dane Carey
KUHNS ROGERS PLC

CC: File; Client