

GULL LAKE SEWER AND WATER AUTHORITY
GULL LAKE WATER SYSTEM PROJECT
PLANNING ASSUMPTIONS, FREQUENTLY ASKED QUESTIONS
March 1, 2022

1. Financials/Assessment/Rate Structure:

- a. What is considered a cost-effective project cost/assessment?
\$9,000 - \$14,000 Capital and \$50/Month Operations, Maintenance and Replacement (OM&R)
- b. What is the appropriate proportioning of debt between assessment and rates?
Distribution mains to be funded 100% by assessment. Possible payment for tower, supply, and transmission related improvements through the rate, subject to legal review.
- c. Asset ownership (Authority/Village/Township)?
GLSWA will own, operate, maintain, and be responsible for replacement of all distribution, storage and transmission related assets. Supply related assets framework will be based on available assets and contract framework at any given point in time.
- d. How will the assessment be structured?
Fire flow or other form of assessment.
 - i. Term of assessment to be determined, depending on funding source(s), rate split.
- e. What are USDA-RD's expectations and/or requirements for an assessment structure?
USDA-RD has no preference as long as it cash flows.
- f. Is the project eligible for USDA-RD funding?
Yes
Preferred financing options are USDA-RD or open market bonds.
- g. How will OM&R costs be charged?
All water services will be metered. There will be a fixed Ready to Serve fee and a Commodity rate.
- h. Will partial prepayment of an assessment be permitted?
Yes, subject to development of an assessment management strategy by the GLSWA
 - i. Management strategy for assessment tracking – monitored and administered by GLSWA to avoid unintentional adjustments/omissions by an individual or unknowing local unit.
- i. If grant is received as part of USDA-RD funding, how will the grant be distributed across the project cost components?
Grant dollars, if available for this project, will be used on shared system assets first (e.g. water tower, well construction/improvements).
- j. How will future rate increases be handled for each municipality?
Similar to sewer rates, water rates will be uniform across all GLSWA water customers. The GLSWA will recommend rate adjustments to Townships/Village ordinances.
- k. What are insurance cost savings?
 - i. ISO rating change to be determined.
 - ii. Magnitude of cost savings to be determined through interview of insurers.
- l. Other cost considerations
 - i. Comparison of assessments/rates to cost of individual well replacement – see Engineering Section.
 - ii. No preferential treatment/incentives to significant industrial/commercial users.

2. Service Area Assumptions:

- a. Is the Gull Lake service area acceptable for inclusion in a USDA-RD application?
Yes

- b. What level of public engagement do the following services areas require? Or, what level of interest does the board have in exploring the possibility of integrating much of the Richland Township/Village water system?
 - i. North east Gull Lake - now
 - ii. Remainder of Gull Lake - now
 - iii. Richland Township existing water users – later
 - iv. Richland Village existing water users – later
- c. What does the public engagement roll out look like for each area?
Similar process, same message, same information to all. See Community Engagement Plan.
- d. What condition is the MSU water system in?
 - i. Age of assets?
 - ii. Condition of assets?
 - iii. Immediate improvements?
 - 1. Does MSU have funds set aside for asset repair/replacement?
- e. Are there other adjacent pockets of interest?
 - i. Little long lake?
 - ii. Kellogg School?
- f. Fire Protection level of service
 - i. Confirm design fire flow volume/duration
 - 1. 3000 gpm, 2 hours? 3 hours?

3. Legal:

- a. Local counsel
Authority attorney will “act” as local counsel for the local units for the assessments and any USDA-RD/bonding elements of the project acting on behalf of the GLSWA. Local attorney will review and approve document.
- b. Ordinance Updates
Ordinances to be revised along the way in accordance with short- and long-term needs for GLSWA moving forward (e.g. connection procedures, eligibility for assessment based on proximity to hydrant, circumstances requiring connection, potential metered sewer rate structure, etc.)
- c. Existing and Future Agreements
 - i. City of Kalamazoo
 - 1. Water supply bulk rate?
 - 2. Emergency redundant interconnects
 - ii. Richland Village
 - iii. Delton

4. Engineering:

- a. Research “fixed base” metering method – advantages/disadvantages, required infrastructure, meter compatibility, radio costs, power requirements, reliability.
- b. Align GLSWA staff, leadership, board around acceptable water main material(s) for estimating purposes.
- c. Negotiate with Road Commission on compromise for road geometrics when building water in tight, non-standard Rights of Way.
- d. Locate water quality reports for test wells at City of Kalamazoo well site.
- e. PFAS plume expansion status?
- f. Identify available secondary MCL treatment alternatives.

- g. Cost/desire of identifying/verifying/acquiring GLSWA well site/contingency well site.
 - i. Well head protection districts vs. Township zoning/master plan/existing uses
- h. Fire Protection/Departments
 - i. Hydrant specification.
 - ii. Hydrant locations.
 - iii. IFP/NFPA – look to local ordinances.
 - iv. ISO rating calculation details
 - 1. Hydrant proximity
 - 2. Confirm fire flow volume/duration requirements
 - a. Commercial
 - b. Residential

5. Data:

- a. Well cost considerations
 - i. Cost of a new well
 - ii. Age of existing wells
 - 1. Recent replacements?
 - 2. Health department map?
 - iii. Expected life of well
 - iv. Typical maintenance cost schedule for private wells
 - v. Identify accessibility issues – how many properties have access limitations?
 - 1. Approximate/magnitude
- b. Water quality questions
 - i. Existing private wells
 - 1. Private side piping and water quality impacts when connecting to public water?
 - a. Pressure
 - b. Chemistry
 - i. Scale
 - ii. Lead
 - ii. City of Kalamazoo
 - iii. MSU
 - iv. Potential Well Sites
- c. Can existing residential wells be used for lawn irrigation?
 - i. Yes, as long as the well and irrigation system are isolated from the rest of the plumbing in the house when connecting to the public system.

6. Public Water Systems:

- a. Is backflow protection required for each home?
 - i. Backflow prevention required for irrigation systems connected to house plumbing regardless of water source
- b. Will connection be mandated for private wells impacted by PFAS?
 - i. Any mandates will be imposed by the State
- c. Source water testing
 - i. Public water is tested daily, weekly, monthly, and annually for various contaminants at the direction of EGLE.
 - ii. Testing protocol varies depending on the system size, materials, and source water.