

# Gull Lake Sewer & Water Authority

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## **MINUTES OF THE JANUARY 17, 2008 REGULAR BOARD MEETING**

Authority Board Meeting

1:00 P.M.

**CALL TO ORDER/ ROLL CALL:** Chairman Bither called the meeting to order at 12:59 p.m. Commissioners present were Jeff Bither, Roger Turner, Jackie Light, and Jim Stoneburner. None absent. Also present were Rich Pierson, Anne Richmond, Tom Wheat, and Bob Oudsema.

**REVIEW AND SET THE AGENDA:** Stoneburner made the motion to accept the agenda as presented. Motion was seconded by Light. **Motion carried; all ayes.**

**MINUTES OF THE DECEMBER 20, 2007 REGULAR BOARD MEETING:** A motion was made by Light and seconded by Turner to accept the regular meeting minutes. **Motion carried; all ayes.**

**HEAR THOSE PRESENT (Non-Agenda Items):** None present.

### **CORRESPONDENCE:**

To: Engelwood (Woodhouse) Macywood \$9,132  
A letter requesting reimbursement of engineering costs that GLSWA has paid.

To: Engelwood (Woodhouse) Macywood \$7,300  
A letter requesting the sewer and water connection fee payment for Building #4, Macywood.

To: Houtkooper New Building \$9,400  
A letter requesting the water connection fee payment for the new building at 10538 E. M-89 (we discovered that the water had not been connected).

To: Gildea Bay Arbor \$21,928  
A letter requesting payment for the delinquent third installment on the sewer connection fee payment contract and additional principal payments to cover expected partial release of liens.

To: Leighton Lake Pointe Apts. \$1,645  
A letter requesting the December and January payments on the sewer connection fee payment contract.

To: Escandon Rambling Trails \$29,644  
A letter requesting payment for the delinquent fifth installment on the sewer construction contract (the fourth installment had been added to the Dec 1<sup>st</sup> tax roll).

To: The Netz Netz (sewer) \$889  
A letter requesting payment for the delinquent third installment on the sewer connection fee payment contract (the second installment had been added to the Dec 1<sup>st</sup> tax roll).

Pierson explained the above correspondence was presented to demonstrate how GLSWA currently finances certain “new construction” projects as compared to how we finance “Connection Fees” due us, and also to illustrate that there is risk involved as shown by the current delinquencies. The existing ordinance(s) state that GLSWA will finance Connection Fees, however GLSWA was unable to afford to act as “the bank” for the initial 23 connections on the Sherman Lake Project. The Board needs to determine if GLSWA will continue to finance Connection Fees as it currently states in our ordinance. This is scheduled to be discussed at the Special Board Meeting on January 31, 2008.

To: Mr. Rich Ramsey Public Sewer Availability to 40<sup>th</sup> St.  
A letter was written to Gull Lake Community Schools to remind them, as they consider upgrading their 40<sup>th</sup> Street Campus, that a plan exists to bring public sewer from the Gull Lake Ministries property, across MSU, and up to the 40<sup>th</sup> Street campus. *Tom Wheat will update the numbers and Rich Pierson will meet with MSU and Gull Lake Schools to review this information. Roger Turner suggested that a pressure sewer be looked at as a lower cost alternative, perhaps pumping the 40<sup>th</sup> Street campus across MSU property.*

To: Ken Sparks Hillcrest Sewer and Water Agreements  
Pierson updated the status of the negotiations. (See discussion in Project section).

To: Austenfeld Y-Camp User Bills

A letter was written to Mr. Luke Austenfeld, Director of Sherman Lake Outdoor Center, to inform him of the Board's direction not to waive the quarterly user fees as he requested. The first user bill for the Y-Camp was included and the letter explained how it was calculated. A check was also included to reimburse the Y-Camp for use of their power.

To: Tironi Construction Certificates

Construction Certificate Statements were delivered to Mr. Tironi for the following projects: Richland Retail Center, Gilmore Farms Phase I, Sherman Lake Pressure Y-Camp, and G. Avenue Forcemain Relocation. Mr. Tironi was also advised that the following projects are pending construction or on-hold: Coopers Landing 3A, Macywood Condos (II), Mountain View (on hold), Hamilton Farms (on hold), Coopers Landing 2C (on hold)

To: Augusta (Julie Glenn) Fleis and Vandenbrink  
 The last two engineering invoices from Fleis and Vandenbrink were higher than anticipated. Additional detail such as days, work performed and hours was requested on future Fleis and Vandenbrink invoices so we may appropriate the costs accordingly.

To: Augusta (Jim Schultz) Brook lodge Amendment  
 A draft of the Brook lodge Amendment that we were required to submit based on the recent November 13, 2007 Agreement was forwarded to Mr. Jim Schultz, Village President for his review and comment. The new agreement modifies the quarterly reimbursement amounts due Augusta by now allowing for repairs to the Webster Street Lift Station to be included with costs to be split based upon flow. It also modifies the term of the Brooklodge Agreement to coincide with the 2007 agreement and adds a new Paragraph 12 to provide for future metering of the 42<sup>nd</sup> Street flow should additional development occur along 42<sup>nd</sup> Street. There has been no response from Augusta. A motion was made by Stoneburner and seconded by Turner to approve the 1<sup>st</sup> Amendment to the "Augusta Interceptor Agreement" (also known as the "Brook lodge" or "42<sup>nd</sup> Street Sewer" agreement). **Motion carried; all ayes.**  
*Pierson to forward to Augusta requesting their ratification, then to the City and to Ross Township for acknowledgement and/or approval.*

To: Augusta (Julie Glenn) Brook lodge Flow  
 A meeting was requested with Julie to review the quarterly Brooklodge calculations as they relate to the recent contract with Augusta. This meeting was held on January 15, 2008.

To: Mr. Jim Burns 2 Projects Update  
 Mr. Burns was updated on the two utility projects necessary for the Allen Edwin project known as Gilmore Farms:  
 1. Gilmore Farms Sanitary Sewer (Phase I): Sewer extension to Phase I from M-89  
 2. 30<sup>th</sup> Street North to Allen Edwin: Sewer extension to next Phase from 30<sup>th</sup> Street + D Avenue  
 Mr. Burns was invoiced for \$15,177 for engineering and inspection expenses that GLSWA has paid related to Gilmore Farms Phase I. *Pierson to finalize a cost sharing proposal for the 30<sup>th</sup> Street North project in the near future to review with Ken Sparks + Mr. Burns.*

To: Augusta Residents Project Update  
 A letter was written to Augusta residents that are the owners of property abutting the proposed project route advising them of the project timing and scope, potential for tree removal, plan for restoration and maintenance and asking them to contact us in writing if they have any special concerns.

To: Sherman Lake Customer Follow-up  
 A letter was written to the 23 Sherman Lake Customers who recently connected to the public sewer thanking them for their cooperation and trust in our installation and

asking them to contact us if they have any questions or restoration issues we are not aware of. The letter also advised them that we are aware of the general need for some additional top-dirt where the dirt has settled and we will try to accommodate this need in the spring. Sherman Lake customers were also reminded of the do's and don'ts of pressure sewer grinder systems.

## **PROJECT UPDATE:**

### **Sherman Lake**

Kalamazoo Electric: A letter was sent to Kalamazoo Electric requesting a meeting to discuss the Electrical issue in conjunction with the Sherman Lake YMCA to resolve payment issues. This meeting is scheduled for January 23, 2008.

Rence Issue-Sherman Lake: It is believed that our contractor severed Mr. Rence's existing water line during our sewer installation – directional drilling operation during July 4<sup>th</sup> weekend. As we authorized the repair, Mr. Rence's contractor replaced the entire 100 feet of line from the well to the home rather than make the repair. Mr. Rence has not responded to our initial request for an invoice for the work or to a follow-up letter again requesting to finalize this in the near future or, in the alternative, agree to a \$1,000 settlement. Light made the motion to issue a check for \$1,000 to Mr. Rence with the understanding that by cashing it, he accepts it as payment in full for his damaged water line. Motion seconded by Stoneburner. **Motion carried, all ayes.** *Pierson to write letter to Mr. Rence explaining the settlement and conditions of cashing the \$1,000 check.*

### **Augusta Drive Project**

Pierson reviewed the Hillcrest Sewer Agreement. Mr. Oudsema stated his appreciation for the hard work thus far in drafting the Sewer Agreement (and the Water Agreement yet to be accomplished). The Authority questioned the wording in Item 15, Connection Fee Refund, and stated it needs to be improved to make the intent more clear. Light made the motion to approve the concepts in the Hillcrest Sewer Agreement with a total refund amount not to exceed \$206,120 present value and forward the agreement to the attorneys. Motion seconded by Turner. **Motion carried, all ayes.** *Oudsema to have his attorney review the document and meet with Ken Sparks to finalize.*

### **Hillcrest Water Agreement**

Hillcrest has, to date, funded \$155,500 of water research and exploration to find public water on the site. Pierson reviewed the concepts of a proposed Hillcrest Water agreement structured similarly to the Sewer Agreement. Hillcrest will be funding the entire system well house, wells and production infrastructure, and therefore, as we have no pre-existing water infrastructure, the Water Agreement contemplates a significant Connection Fee "refund" to them. Also, a water tower is to be constructed after 125 homes which may present opportunities for other uses such as wireless and

advertising. Bob Oudsema indicated the need to execute both the Water and Sewer agreement at the same time. Ownership of the water system and the need to keep the water funds separate from the sewer funds was discussed. *Pierson to distribute water agreement for review the week of January 31, 2008. Pierson to forward Bendzinski (financial consultant) the proposed fees and rationale.*

#### Gilmore Farms

Pierson currently pursuing easements. Pierson to meet with Mr. O'Brien on January 26, 2008. If no agreement can be reached with O'Brien and Bowman, the Board consensus is to begin the condemnation process through Richland Township. *Pierson to follow up with Ken Sparks as needed for the acquisition of the easements.*

#### Richland Retail Center

Pierson has sent a letter to Mr. Dave Kreager of Beachglass Properties, LLC outlining several issues that need resolution with respect to Sewer and Water Connection Fees and the Easement across the property for the sewer as installed and requesting a meeting to ascertain each building(s) proposed use (tenants) and to estimate water consumption and units for each building. He has not yet responded.

#### Cranes Pond #2

New small pump station to be installed.

#### Macywood to LS#28

Permits have been received to build through the swamp to the existing pump station.

#### Richland Condos (Rosenberger)

No update.

#### Mountain View

No update.

#### Rambling Trails #2

No update.

## NEW BUSINESS

#### Policy on Vacant Buildings

#### Woodcock inquiry- action item

A letter was previously written in response to a utility shutoff request informing them that per GLSWA policy, we do not discontinue billing a property because it is vacant for a short, less-than-12- month period of time. In order for us to discontinue the quarterly invoicing for sewer, one of four conditions must be met: electric meter shut off, interior plumbing disconnected, public water shut off, or must be vacant for 12 consecutive months. In response to another inquiry regarding a vacant house for sale (vacant and for sale for 2 consecutive years?), Pierson requested a policy change,



further clarifying last condition: that a home must be vacant for 12 consecutive months with no incidental use. Turner made the motion to add the clarification to GLSWA policy on vacant buildings as recommended. Motion seconded by Stoneburner. **Motion carried, all ayes.** *Pierson will send Woodcock a letter explaining.*

PPP MDEQ Contract Renewal – 10 year period  
The current contract expires at the end of 2008. Mark DuCharme, project manager for the DEQ has indicated he would like to extend the contract for an additional 10 years. *Pierson and Sparks to prepare draft for Board review at an upcoming meeting.*

Personnel Policy Proposed revisions/update  
Pierson distributed the current draft of the personnel policy. This will be reviewed at the special meeting on January 31, 2008.

Ordinance Draft Contract financing discussion & permit fee  
To be reviewed at the special meeting on January 31, 2008.

2010 Capacity Issues Update  
Future GLSWA capacity needs are being analyzed for the new contract with the City of Kalamazoo. The original contracted flow is 1.06 Mill gal/day. We are currently at –based on calculations as some flows are not metered, approximately 700,000 gal/day.

## OLD BUSINESS

Battle Creek WWPT Pursue Options for Charleston  
This still needs to be pursued as an alternative for Charleston Township development and to document the flow from Fort Custer Armory (Ross Township) into the City of Battle Creek.

Emergency Preparedness In Development  
In process. Meeting was held on January 15, 2008. Current level of preparedness and cost to improve will be assessed. *Pierson to update the Board during budget discussions in March.*

Parchment Pipe Rehab Cooper Flow into Parchment  
GLSWA may be recommending a capital outlay (proposed to be split with Cooper Township) to fix the current sulfide corrosion problem due to low flow rather than treatment costing \$1,000 +/- per year. *Barry Bowman to work with Tom Wheat to estimate costs to replace the pipe, then Pierson to put a proposal together for Cooper and Parchment*

Water Connection Fee In Process

Meeting on January 23, 2008 to discuss Water Connection Fees with Cooper Township. *Pierson to continue work on recommendations for Richland Township.*

Commercial Review Not Completed  
2 years of data will be combined in February, 2008.

Rate / Margin Analyses	Handout
<p>Pierson compared revenues with expected treatment costs and forecast the budget for FYE 3/31/2008 and FYE 3/31/2009. Pierson showed audited wastewater treatment costs of \$322,000 for FYE 2007, and believes that FYE 2009 will be approaching \$450,000, and the increase is not due to a significant flow increase, but from rates + lookback from the City. Based on this analysis, the Board (and Townships) may be asked to consider an increase in the user rate due to treatment cost increases from the City of Kalamazoo of 21% in 2007 and a proposed increase of 8.7% in 2008 in addition to “lookback” charges of \$6,561 in 2007 and \$41,000 in 2008.</p>	

## FINANCIAL REVIEW/ PAY BILLS

A motion was made by Turner and seconded by Stoneburner to file the financial reports as presented, approve the standard bills paid, and pay the Prein & Newhof bills as presented. **Motion carried; all ayes.**

A motion was made by Stoneburner and seconded by Light to approve the attached resolution for CD investment allowing the GLSWA Office Manager to discuss, negotiate and initiate CD interest rates and durations with authorized financial institutions. **Roll Call Vote taken; all ayes; Motion carried; Resolution adopted.**

## CLOSING COMMENTS

Meeting dates for the 2008 Calendar Year GLSWA Board meetings were reviewed and approved. They are currently scheduled for the third Thursday of the month with the exception of the March meeting, which will be held on Tuesday, March 18, 2008. In addition, a special meeting will be held on Thursday, January 31, 2008 to discuss the Hillcrest Sewer Agreement, Hillcrest Water Agreement, the Personnel Policy, and the Ordinance including changing the permit fee, possible rate changes, and the Authority being “the bank”.

ADJOURN MEETING TO JANUARY 31, 2008 at 1:00: Chairman Bither adjourned the meeting at 3:05 pm

Submitted for approval

*Jacqueline Light*  
Jacqueline Light – Secretary

Attached: Resolution for CD investing.