

Gull Lake Sewer & Water Authority

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MINUTES OF THE FEBRUARY 27, 2014 REGULAR BOARD MEETING

Authority Board Meeting

1:00 P.M.

CALL TO ORDER/ ROLL CALL: Chairman Bither called the meeting to order at 12:57 P.M. Commissioners present were Jeff Bither, Alan Bussema, Jimmy Stoneburner and Wes Kahler. None absent. Also present were Executive Director Rich Pierson, Executive Assistant Anne Richmond, Attorney Ken Sparks, Engineer Tom Wheat, and Kalamazoo Regional Water and Wastewater Commission's Assistant Director Tim Hudson.

REVIEW AND SET THE AGENDA: Kahler made the motion to accept the Agenda as presented. Motion was seconded by Bussema. **Motion carried; all ayes.**

MINUTES OF THE JANUARY 21, 2014 REGULAR MEETING: A motion was made by Kahler and seconded by Stoneburner to accept the regular meeting minutes of January 21, 2014 as presented. **Motion carried; all ayes.**

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

CORRESPONDENCE:

Morsman – 2852 Arctic Letter Offering up to \$1,800 – Driveway Settlement
There is a public sewer manhole in the concrete drive and the area around the manhole has settled, cracking the drive. GLSWA offered to reimburse up to the first \$1,800 to repair this.

Frohnappfel+Higby – 3006 Arctic Letter Offering up to \$1,800 – Driveway Settlement
There is a public sewer manhole in the concrete drive and the area around the manhole has settled, cracking the drive. GLSWA offered to reimburse up to the first \$1,800 to repair this.

Cooper's Landing Billing Correction Letter – January 2014 Adjustment
While reviewing alternative billing methodologies, we updated our multi-family data base and discovered that we were not billing Cooper's Landing for 20.6 units = \$508.20 per month. This was corrected as of the January 2014 billing.

Anthony-317 S Gull Lake Dr Billing Inquiry as to Rate Increases
We responded to Ms. Anthony's inquiry regarding the history and reason for the sewer rate increases.

Kalamazoo Metal Recyclers Commitment for Sewer Capping Work
Kalamazoo Metal Recyclers will provide access to GLSWA to show the capped sewer pipe at 5279 Boylan and agree that if they fail to do so, GLSWA may engage a contractor to do the work and invoice KMR for up to \$600 based on the actual costs incurred.

Maly-1186 Burlington Credit for Final Bill; Additional Work in Spring
Mr. Maly's house at 1186 Burlington was torn down and the sewer was capped at the 4 inch. GLSWA waived the final bill of \$63.28. In the Spring, GLSWA may re-excavate the 6" pipe and cap it or extend it northwesterly into the vacant lot.

City of Kalamazoo-Sue Foune Meeting Summary
The City of Kalamazoo Public Services Director, Sue Foune, met with GLSWA to discuss the Sewer Contract. Pierson sent a letter following up on some of the issues that were discussed: wastewater and water contracts, metered billing and potentially sharing the cost of automatic meter readings, and the cost impact of the extra water due to frozen pipes.

NEW BUSINESS:

Ken Sparks Retirement Announcement April 1st Retirement
Authority Attorney Ken Sparks will be retiring on April 1st. He recommended potential candidates for the new Authority Attorney. *Pierson to interview candidates and make a recommendation to the Board.*

Regional Commission – City of Kalamazoo Attorney-Client Privileged Letter
At 1:42 pm, a motion was made by Alan Bussema that the Authority Board go into closed session with the Authority Attorney Kenneth Sparks, Authority Engineer Tom Wheat, Executive Director Rich Pierson, Executive Assistant Anne Richmond and KRWWC Asst Director Tim Hudson to review a confidential attorney-client written communication. The motion was seconded by Jimmy Stoneburner. A roll call vote was held on the motion and the vote was as follows: **Kahler-Yes, Stoneburner-Yes, Bussema-Yes, Bither-Yes; Motion carried.** Closed session ended at 2:12 pm.

A motion was made by Jimmy Stoneburner that the Gull Lake Sewer & Water Authority retain the law firm of Cummings, McClorey, Davis and Acho PLC to represent the Authority as a plaintiff in litigation against the City of Kalamazoo regarding rates and charges for water and wastewater services imposed by the City of Kalamazoo. The motion was seconded by Alan Bussema. **Motion carried; all ayes.**

Asset Management Implementation Proposed Action Plan
GLSWA has been planning for 2 years to implement an asset management / inventory investigation -- but the timeline will be different if we receive a SAW Grant. Without the SAW Grant, GLSWA proposes to implement an asset management plan over a

period of 5 years beginning in the Spring and will need 3-5 days/week of additional manpower. If GLSWA is awarded a SAW Grant, the asset management plan needs to be compressed to 2 years and more manpower will be required. The staffing plan will be provided with the budget in March.

Draft 2014-2015 Revenue + Expense Budgets

Overview

Pierson reviewed the preliminary 2014-2015 budget which includes proposed revenue of \$1,314,309 and expense of 1,343,960 for a preliminary (non grant) deficit of \$29,651. The revenue assumes 150,000 gallons/day from industrial usage and 57 gallons/minute from purge wells. Pierson noted that it is possible that the purge well usage may stop in the future. The expenses include the additional manpower required to implement asset management (4 days). Pierson also reviewed the proposed capital budget for 2015 FYE (\$479,000) and noted that the items will be approved individually by the Board prior to purchase. *Budget work will continue and the final Revenue + Expense and Capital budget will be reviewed in depth at the March Board Meeting.*

New Phone System

Investigating Options

GLSWA is investigating options for a new phone system.

PROJECT UPDATE:

Augusta-Forcemain Redirect

Pricing Obtained

Pierson reviewed the proposal to redirect the Augusta Forcemain near Galesburg High School into our gravity main to alleviate a low-flow buildup condition and eliminate 2x per year vactor cost. Engineer Wheat explained the design solution and presented the bids for a Base Case and Alternate 1. The Alternate 1 design is more costly, but presents less risk. Bussema made the motion to approve the Hoffman quote for Alternate 1 in the amount of \$30,275 to complete the Augusta-Forcemain Redirect project. Motion was seconded by Kahler. **Motion carried; all ayes.** *Pierson to contact Galesburg High School and schedule planning meeting with Hoffman Brothers in March.*

McCarty Sewer Lead

Install Sanitary Sewer Leads to 2 Parcels

Pierson proposed to install 2 sanitary sewer leads at Authority cost of \$7,500 to two parcels (3903-12-430-391 & 3903-12-430-410) that had been assessed for front footage, but did not get leads installed to them. Bussema made the motion to provide service to the two vacant lots in an amount not to exceed \$7,500 contingent upon the following:

1. Richland Township approval that Parcel 3903-12-430-391 is buildable.
2. GLSWA obtains an easement for the southerly 1/8 ft of Parcel 3903-12-430-410.
3. The trees and garage are removed from Parcel 3903-12-430-410.

Motion was seconded by Stoneburner. **Motion carried; all ayes.**

Cold Weather Concern Possible Freezing Grinder Pump Discharge Lines
 Pierson discussed potential strategies to deal with possible freezing grinder pump discharge lines. There has been only 1 case so far (Gull Lake Country Club) but could be more as people who may have left for the winter return.

OLD BUSINESS: ACTIVE

Zoetis – Sewer Meter Inaccuracy Meeting Scheduled for 3/31/14
 Zoetis has provided an updated graph with data through December. There is still a differential between the sewer meters and the water in + rain runoff. This will be discussed with Zoetis at a meeting scheduled for March 31, 2014.

Apartment Flow Data-Preliminary Compilation of Data and Water Use
 Ms. Nancy Troff had contacted GLSWA regarding the sewer billing for the Rolling Pines Apartment Complex, as she believes the sewer bills are high there compared to her other properties and high based on the amount of water used. At a previous meeting, Pierson presented a preliminary analysis comparing our flat rate billing assumption with actual metered water consumption for all of the multi-family complexes in our districts that are on water meters. On average, compared to metered water consumption, the flat rate charges are approximately 25% more for these properties. Pierson attended a rate study workshop on January 29 and 30th to evaluate possible rate structures as we pursue the possibility of changing to metered billing. In addition, he is studying other alternative billing methods. There is no guarantee that any of these methods would result in a lower rate. *Pierson will come back with more information over the next several months.*

Asset Management - SAW Update – CMOM Awaiting DEQ Approval
 The State has offered a grant program to do an assessment of utility assets. The purpose for an asset management plan is to identify our assets, their strengths, weaknesses, risk, their replacement timing, replacement costs, etc. The application has been submitted for GLSWA. We will be budgeting to set up and begin the Asset Management program for April 1st of the new fiscal year -- regardless of the grant status. Engineer Wheat indicated that GLSWA was one of two municipalities that he was aware of to be contacted by the DEQ for application clarifications and/or corrections.

Gull Lake Ministries Review of Residential Units + New Construction Plans
 Tammy (GLM) and Bonnie (GLSWA) will prepare a map and address list and we will advise GLM if we have been billing inappropriately. If GLM could combine parcels, then they could remove single-family homes and construct new homes, duplexes or other (ie. Rec Center) and use the credits for reconnecting. *Pierson will lend assistance to them -- to attempt to make 4 or 5 large parcels from GLM's existing property holdings, update the map with how many sewer connection credits are on each of the parcels, allowing GLM to use the credits for new connections. Pierson will meet with our engineer and Township officials to make sure that combining existing*

parcels is the right thing to do for GLM and the Township, as he believes that tracking by parcel number is the best methodology, and the old parcel maps have many obsolete 40 and 60 foot width parcels.

OLD BUSINESS: INACTIVE

Billing Software Upgrades

Update

Investigating use of meter data to generate sewer use bills for customers with water. It may be necessary for GLSWA to read water meters to have control of the readings, minimize errors, and to ensure timing of the meter reads.

Televising 4" Building Sewers

Summary + Cost Update

Preparing summary of findings to date for televising 4" building sewers and an update on the estimated cost.

Emergency Fuel Acquisition

Awaiting Spring Before Purchase

GLSWA needs to have fuel readily available in an emergency for the portable generators and for our vehicles. We had been relying on local gas stations for truck gas and diesel fuel for portable generators, but a significant power outage could find us short on fuel. At a previous meeting, Pierson presented a quote for \$2,270 for 2 new 550 tanks, pumps, gages, and E vents. We received a letter from Crystal Flash regarding their emergency generator fueling. *Pierson to complete this purchase in the Spring.*

Personnel Policy + Ethics Policy

Updates

Proposed updates to be reviewed in March 2014.

EF Ave Sewer-Old Plug Company

Project Still Not Finalized

This was constructed during the week of 9/3 and inspected by Prein & Newhof and GLSWA staff. Project is not yet finalized.

Air Release Valve Rebuilding

Rebuild 10 Air Release Valves

As a result of the SSO incident with the galvanized nipple, GLSWA is rebuilding 10 Air Release Valves. There are 4 yet to be rebuilt.

Grinder Lines (37th Street Only)

Corrosion – Erosion Prevent

There is a corrosion issue with ductile iron next to copper grinder line connections and these are being remedied (wrapped or replaced with plastic). There are 4 in Charleston and 1 in Ross Township yet to do. These are to be done Spring 2014.

D. Avenue West Project

Invoice to Richland Village

Richland Village Council acknowledged the costs that GLSWA had requested for reimbursement (the cost of the Information Packets exceeding the planned 43 packets (\$1,359) and 50% of the Engineering costs (\$482.25)). These are expected to be paid as part of the Road Project and we should receive the funds Spring 2014.

Entrance Sign-Landscaping Proposal Authorization for Landscaping-Sign
The plantings will be done in the Spring and flags for the pillars will be purchased.

Malpass, Sherman Lake Grinder Customer Sewer Back-up Liability Concern
Mr. Malpass is concerned about GLSWA's limited liability under the statutes for sewer back-ups for Grinder Pump customers where the tank, pump, and line to the street are publicly owned. *Pierson to discuss this issue with Mr. Malpass and present alternatives at a subsequent meeting to better serve our grinder pump customers if feasible.*

30th Street Gravity Sewer-Future Design Completed; Need Easements
Per our 2008 agreement, GLSWA is obligated to construct necessary downstream infrastructure (capacity) to handle the Allen Edwin development and beyond, likely to involve a 30th Street force main and/or gravity sewer. *Pierson needs to obtain 7 easements prior to starting this gravity sewer project.* The project timeline is dependent upon the developer's build out of their phase II, which has not yet begun.

Lift Station Guide Rail Replacement Project Update
Lift Station #5 was done on 9/20/12; #16 was completed on 12/18/12; #13 was completed on 5/15/13; #8 was completed in June and #18 has recently been completed. We were budgeting for 3 per year.

Charleston Township Sewer Update on Rates: Begin Cost-Benefit Analysis
80 homes +/-, +2 pumping stations; Pierson to continue with cost-benefit analysis. Their sewer contract expires 2016.

Comstock Township Sewer + Water Update on Rates: Begin Cost-Benefit Analysis
Discussed briefly with incoming Supervisor, Ann Nieuwenhuis; Sewer contract on a year-by-year basis.

Billboard/Purchase of Consumers Energy Property Pierson Met With Representative
Pierson met with a Consumers Energy representative regarding billboard removal and/or relocation.

1980 – 1990 Easement Releases Ongoing Project-coordinate w/ scanning files
Established format for filing easements.

Sewer Connection Fee Issues No response; \$8,700 Eng Fees not Paid
There has been no response from Attorney Ken Sparks letter to Attorney Swenarton as of yet. In addition, the developer still owes GLSWA engineering fees of approximately \$8,700.

Water Connection Fee Issues Ongoing Project
Plan to be developed for administering water connections for Richland Township and Richland Village in order to cost-average short-side and long-side taps to the water

main, preventing one side of the road paying more than the other side (where the water main is located). *Pierson to make recommendations.*

Also, need to establish adequate connection fees to provide for the replacement of watermain in the future, as the Township owns the watermain. Pierson acquiring data on the assets.

Sherman Lake Easement-Clean-up and Check Review
Pierson to review easements and check for accuracy – file in GIS system. Pierson has started this.

FINANCIAL REPORT

Financial Report / Bills Paid + Payable / Prein & Newhof Billing

A motion was made by Kahler and seconded by Bussema to file the financial reports as presented, approve the standard bills paid, and pay the Prein & Newhof bill.

Motion carried; all ayes.

CLOSING COMMENTS

Pierson requested approval for GLSWA to pay Ross Township legal invoices related to the Regional Commission issues as Ross has no sewer funds from which to pay the invoices, as compared to Richland that has a water fund to pay utility related water costs on behalf of the Township (as GLSWA has no water ownership as of yet).

Kahler made the motion to approve GLSWA paying Ross Township's legal invoices related to the Regional Commission issues. Motion was seconded by Stoneburner.

Kahler-Yes, Stoneburner-Yes, Bussema-Yes, Bither-Abstain; Motion carried.

ADJOURN. NEXT MEETING THURSDAY, MARCH 27, 2014 at 11:00 a.m. Chairman Bither adjourned the meeting at 2:25 p.m.

Submitted for approval



 Alan Bussema – Secretary