

Gull Lake Sewer & Water Authority

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MINUTES OF THE APRIL 8, 2014 SPECIAL BOARD MEETING

Authority Board Meeting

1:00 P.M.

Purpose: Review and consider SAW grant: Acceptance, Implications, Staffing and Capital Purchase Recommendations

CALL TO ORDER/ ROLL CALL: Chairman Bither called the meeting to order at 1:00 P.M. Commissioners present were Jeff Bither, Alan Bussema, Jimmy Stoneburner and Wes Kahler. None absent. Also present were Executive Director Rich Pierson and Executive Assistant Anne Richmond.

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

NEW BUSINESS

Review of SAW Grant: Acceptance, Implications, Staffing + Capital Purchases

Pierson reviewed Asset Management and the reasons for implementing Asset Management, GLSWA's plans for Asset Management, the SAW Grant and its implications, Staffing for the SAW Grant work, and recommended Capital Purchases for the SAW Grant in a presentation to the Board.

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. Prein & Newhof prepared and submitted an application on behalf of GLSWA and the grant award (via lottery) has been offered to GLSWA, to be initiated in May-June of 2014 for a 3-year window to complete the plan. The amount of the project is \$1,493,694 with the Authority share being \$94,209 each of the 1st two years, plus \$15,537 year number three.

The State requires that grant recipients make significant progress on the grant funding structure which they define as a 5-year plan to eliminate the gap with a minimum initial rate increase to close at least 10 percent of the funding gap. Until the Asset Management Plan is completed, the Authority is unable to estimate the funding gap or project what the initial rate increase will be. Pierson expressed concern that the DEQ had not defined their expected outcome sufficiently to understand what might be required, however, we believe the Authority is in a good position financially and has a

good understanding of the risks of our system, and therefore, any rate increase required by the state would likely be necessary regardless – and the purpose of the Asset Management Plan is to smooth-out future necessary rate hikes.

While GLSWA could contract out 100% of the work as per the Grant Plan submitted, Pierson recommended doing the work in-house, gaining knowledge of our system, minimizing payment out to engineers and subcontractors, and contributing in-kind labor to offset some of the \$94,209 anticipated expenses this year (and next).

Pierson reviewed the proposed staffing structure and budget implications to accomplish this. It would also require the purchase of capital items including a tractor camera, GPS locating device, ESRI GIS software, Computerized Maintenance Software, an additional Pole Barn, a new Fleet Truck, a Polaris Off Road Vehicle, and potentially a Used Vector or Jetter with a Water Trailer. Pierson reviewed the costs for these items and potential cost recovery from the SAW Grant.

A motion was made by Bussema, seconded by Kahler, to authorize Director Pierson to implement grant initiatives and purchases as presented:

- Implement Staffing as presented for 2014 Season
- Amend Revenue and Expense Budgets as necessary to accommodate grant match, \$100,000 additional expense
- Direct Prein & Newhof to present a contract for services as per grant conditions
- Investigate adjustment to grant offer with DEQ to include more sophisticated forcemain investigation for 37th Forcemain, et al
- Authorize Director to enter into contracts for service to initiate asset investigation and inspection per grant application
- Authorize Director Pierson to continue to implement grant initiatives and purchases as presented:

Authorize purchase of Capital Items:

- | | |
|---|-------------|
| • New Pole Barn – 3-bay – with office space | < \$85,000 |
| • Geo Positioning Device for x/y coordinates – sub-meter | < \$12,000 |
| • Closed Circuit TV Sewer Camera incl off-road capability | < \$175,000 |
| • Additional utility vehicle – 1 ton capability with towing | < \$30,000 |
| • Utility trailer for towing off-road camera equipment | < \$5,000 |
| • Software: ESRI & CMMS | < \$22,000 |

Future investigation prior to authorization

- Water hauling trailer < \$10,000
- Vactor truck – non-CDL GVWR classification < \$150,000 (subject to capability of cleaning Galesburg High School sewer pipe)

Motion carried; all ayes.

CLOSING COMMENTS

ADJOURN. NEXT MEETINGS: TUESDAY, MAY 6, 2014 at 1:00 p.m. and THURSDAY, MAY 29, 2014 at 1:00 p.m. Chairman Bither adjourned the meeting at 2:30 p.m.

Submitted for approval



Alan Bussema – Secretary