# **Gull Lake Sewer & Water Authority**

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## MINUTES OF THE JULY 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 1:02 p.m. Commissioners present were Jeff Bither, Roger Turner, Jackie Light, and Jim Stoneburner. None absent. Also present were Director Rich Pierson, Office Manager Anne Richmond, and Engineer Tom Wheat.

**REVIEW AND SET THE AGENDA:** The agenda was acceptable as presented with the addition of Office Improvements under Old Business.

MINUTES OF THE JUNE 19, 2008 REGULAR BOARD MEETING: A motion was made by Stoneburner and seconded by Turner to accept the regular meeting minutes of June 19<sup>th</sup> as presented. Motion carried; all ayes.

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

### CORRESPONDENCE:

To: Fifth Third Bank Financial Stability – inquiry and response GLSWA has funds exceeding the FDIC insured amount at Fifth Third Bank and is recommending moving some of these funds to other banks.

A motion was made by Turner and seconded by Stoneburner to approve the attached Resolution for Banking + Investment that would allow funds to be transferred to two additional banks. Roll Call Vote taken; all ayes; Motion carried; Resolution adopted.

To: Craig Rolfe Charleston Twp email-additional service area? Craig Rolfe suggested, and Charleston Township is considering, the possibility of consolidating all of Charleston's sewer system under the Authority umbrella. *Pierson to evaluate the Authority's position on this, including analysis of what these residents are currently paying.* 

To: D Avenue property owners Proposed Project – Advisory Petition
Based on discussions with the Richland Village Council, a letter was sent to D Avenue
property owners (43) requesting that they indicate their interest (or lack of interest) in
having public sewer installed on D Avenue between the Community Center and

Foxwood Street. To date, there have been 22 responses with 19 indicating "No" and 3 "Yes".

To: Jackie Light Proposed Project – Mandatory Connection Issue Two Richland Township residents on Little Long Lake want public sewer and have asked the Authority to write an Advisory Petition letter to the remaining 17 properties along M-43. Prairieville Township still has mandatory connection and Richland Township needs to determine whether it will also require mandatory connection. *Pierson to draft letter for Richland's review.* 

To: Vern Eldridge Augusta

GLSWA inquired whether Vern had yet scheduled testing of cathodic protection at LS #1 and indicated that we would like to be present the day the testing is done to observe and learn.

To: Jim Schultz Augusta
Upon receipt of Augusta's approval of the Brooklodge amendment, GLSWA is prepared to consider 50% cost sharing for a meter installation at the north edge of the Village.

To: Mr. William Lawrence Lift Station #13 generator A meeting was requested with Mr. Lawrence to discuss our goal to install a new standby generator at the pumping station located south of his home (15691 M-43) and to correct discrepancies between existing easements of record and the location of the pipes and pump station.

To: Oudsema, Sparks & Loftus Hillcrest Water Agreement
There is continued concern with the "risk" the Authority is undertaking as owner of
the water system in the event that Hillcrest funds the water supply improvements and
watermain to their Phase I and then only constructs some number of homes less than
sufficient to reasonably fund the on-going operations and maintenance expenses.
Attorney Sparks had been asked to review the legality of the Authority as owner to
charge residential property owners the full cost of operation, maintenance and
replacement and whether there was a legal mechanism to alert the owners that this was
a potential risk. Auditor Loftus had been asked to investigate the accounting standards
of using sewer revenue to offset water system costs as there may be pressure on
management to do this. (See discussion below).

To: Jackie Light Gilmore Farms Agreement
A copy of the proposed Gilmore Farms (Allen Edwin) Agreement for Sanitary Sewer
Extension was provided to Jackie Light for approval at the July 7 Richland Township
Board meeting.

To: Kreager Richland Retail Center

Agreements from our June 25 meeting with Mr. Kreager were summarized in a letter. We are expecting his payment of \$15,943.05 and signed easement within the next couple of weeks.

To: Escandon Past Due Amounts

Mr. Escandon was advised of the Authority Boards directive not to proceed with any new sewer plan approvals or submittals without payment on his contract from the 2005 primary trunk sewer being up-to-date. *Pierson to contact Mr. Escandon to get update on his financing status including source.* 

To: Wallace Bible Conference (Gull Lake Ministries)
Gull Lake Bible Conference is building a new athletic center. A pre-construction meeting was suggested as well as a meeting to discuss billing units gained or lost as several structures were torn down in addition to the new structure being built.

To: Woodhouse Discount of \$2,500 Mr. Woodhouse was reminded that the Authority had approved a discount on engineering fees for Macywood II if payment was received before July 15. Payment was received on July 9.

To: Rosemary Woodward Water surcharge on water bills GLSWA responded to the Village's request for information in regard to initiating a potential Water Surcharge on the City of Kalamazoo's water use bill for the Village water customers.

To: Rosemary Woodward D Avenue West Sewer Update GLSWA provided the current response statistics (3-Yes, 19-No) for the Council.

### PROJECT UPDATE:

30<sup>th</sup> Street North Update on Schedule

The Gilmore Farms (Allen Edwin) Agreement for Sanitary Sewer Extension was approved at the July 7 Richland Township Board meeting. The executed contract from Allen Edwin has not yet been received. Bid opening is scheduled for August 7. Allen Edwin is expected to deposit the construction funds with GLSWA by the Board Meeting on August 21. Residents on 30<sup>th</sup> Street were notified by letter of the timing and impact of the upcoming project. Residents were also advised of the connection fee cost (connection is not mandatory, however, it is a requirement if the septic system fails and the house is within 200 ft. of the edge of the right of way).

Wheat/Pierson to investigate if water main extension should be done as part of the 30<sup>th</sup> Street North Sewer Project.

Hillcrest Water Awaiting Response from KS and RL Mr. Oudsema is seeking the Board's approval in concept of the Hillcrest Water Agreement so that it can be "pulled off the shelf" at the time it is needed. Pierson addressed two concerns that were raised at the last Board Meeting. He noted that while it is acceptable to charge the "full" cost of operating, maintaining and replacing the water system based on the number of users, Attorney Sparks pointed out that there is a practical market "ceiling" as to what we could realistically charge. Attorney Sparks also believes Mr. Oudsema will not be in favor of placing a potential homeowner "on notice" with a recorded instrument outlining the risks of the water system. Per discussions with Auditor Loftus, subsidizing the water system with sewer funds would be inappropriate. In addition, the existing sewer ordinance of the Townships prohibits the use of sewer funds for any purpose other than sewer. There will be further discussion on the Hillcrest Water Agreement at the next Board Meeting. *Pierson to review and make further recommendations*.

D Avenue West

**Advisory Petition** 

Pierson to write follow-up letter to the residents based on the Council's decision to proceed or not-to-proceed.

## **NEW BUSINESS**

Michigan Municipal League Annual Voting
A motion was made by Light and seconded by Turner to approve the Michigan
Municipal League Ballot as presented. Motion carried; all ayes.

GIS Improvements

Prior Expense \$30,000 +

GLSWA is considering several improvements to our current GIS system to improve functionality. Ross Township may share some of the cost to add parcels through the portions of Ross Township that are not likely to ever request public sewer. In addition to the cost of the improvements, a more expensive version of ArcReader may be required. *Pierson to investigate what impact Microsoft VISTA may have*. There will be more discussion on this at future meetings.

### **OLD BUSINESS**

DEQ / PPP – Contract draft

In Process

To be started soon.

Water nitrate plan expansion

In Process

Pursuant to a request by a G. Avenue property owner, GLSWA has prepared an "expanded" 31<sup>st</sup> Street Water Connection program to Richland Township. *Pierson to meet with Light in early August to discuss options further*.

Trailer Sale

In Process

Bids will be taken for the 2 axle trailer which will be parked out in front of GLSWA.

Generator Sale In Process

GLSWA currently has a bid for \$2,000 + removal at purchaser's cost for the generator at Lift Station #1. Turner noted that Gull Lake Country Club may also have an interest in purchasing the generator. *Barry Bowman to be contacted by their representative if they are interested.* 

SSO Report Update Update

Mr. Dunn submitted his request for payment of \$2,899 by GLSWA for damage caused by sewage backup into his basement on 6/10/08. The cost includes cleaning charges from Modernistic and carpet replacement costs. A motion was made by Turner and seconded by Light to approve payment of \$2,899 to Mr. Dunn pending receipt of a release from any further claims from the incident. **Motion carried; all ayes.** An additional check valve was added to prevent any further incidents.

Ordinance / Rate September 1 Effective Date

The new ordinance and rates will go into effect September 1. Pierson to write letter to homeowners informing them of the new rate (and also reminding them to check their homeowner's insurance for sewer backup coverage).

Emergency Preparedness In Process

Pierson has made follow-up inquiries to better understand the reliability of natural gas and the availability of fuel during an extended power outage.

Battle Creek WWPT In Process

Water Connection Fee In Process

The amount of the proposed water connection fee will be somewhat dependent on if Richland Township is responsible for the replacement of water pipes. This will not be known until Spring of 2009.

Parchment Pipe replacement vs. venting & waiting Pierson and Wheat to make final recommendation-possibly a new manhole.

Office Improvements In Process

A proposal for conceptual design for office expansion/site improvements has been received from Owen-Ames-Kimball. Proposal request was sent to 4 other firms—1 response to date.

## FINANCIAL REVIEW/ PAY BILLS

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

## CLOSING COMMENTS

Wheat informed the Board that all Prein & Newhof accounting will be done out of the Grand Rapids office and they will be transitioning to this within the next few months. As part of the transition, Winifred Kurtz will no longer be working for Prein & Newhof. Wheat also mentioned that the water table has been rising (4 ft in Ottawa County) and that basements that were previously dry may now be wet.

Turner suggested that GLSWA may want to consider purchasing a truck to replace Barry's Van now rather than later considering the current deals in the market. *Pierson to follow up and get prices*.

ADJOURN MEETING TO AUGUST 21, 2008 at 1:00 p.m.: Chairman Bither adjourned the meeting at 2:12 p.m.

Submitted for approval

Jacqueline Light

Jacqueline Light - Secretary

#### **RESOLUTION FOR BANKING + INVESTMENT**

At a regular meeting of the Gull Lake Sewer and Water Authority ("Authority") held the 17<sup>th</sup> day of July, 2008, duly posted, at which a quorum of Commissioners were present, the Authority Board of Commissioners resolved as follows:

WHEREAS, the Authority, pursuant to its Investment Policy and appropriate statutes of the State of Michigan, desires to transact banking business and secure investments through Certificates of Deposit ("CD's") at various financial institutions listed below, all licensed to do business within the State of Michigan; and

WHEREAS, the listed financial institutions require authorization via resolution from the Board of Commissioners in order to transact business;

Authorized institutions for banking and investments:

- o Fifth Third Bank (Western Michigan)
- o First Community Federal Credit Union
- o Independent Bank-South
- o Comerica Bank
- Keystone Community Bank
- United Bank
- Consumers Credit Union
- o Bank of America

## NOW THEREFORE, BE IT RESOLVED:

The Authority Office Manager has the authority to discuss, negotiate and initiate banking transactions including CD investments with financial institutions listed above and licensed to do business within the State of Michigan.

Authorized signatories for banking and investment transactions are as listed below -- two signatures required:

Jeffrey W. Bither, Chairman

Jacqueline Light, Secretary/Treasurer

Jimmy L. Stoneburner, Vice-Chairman

Richard L. Pierson, Director

Motion by Turner, seconded by Stoneburner, to approve the resolution, and that all conflicting resolutions previously adopted are hereby repealed.

COMMISSIONERS PRESENT: Bither; Stoneburner; Light; Turner

AYES: Bither, Stoneburner, Light, Turner

NAYS: None

ABSTAIN: None

COMMISSIONERS ABSENT: None

Motion Carried.

I, Jackie Light, duly authorized secretary of the Gull Lake Sewer and Water Authority, attest that the above resolution was duly approved on July 17, 2008, at a regular meeting of the Gull Lake Sewer and Water Authority Board of Commissioners.

JACQUELINE KIGHT

July 17,2008