

Gull Lake Sewer & Water Authority

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MINUTES OF THE SEPTEMBER 15, 2021 REGULAR BOARD MEETING

Authority Board Meeting

1:30 p.m.

CALL TO ORDER/ ROLL CALL: Chairperson Harma called the meeting to order at 1:32p.m. Commissioners present were Lysanne Harma, Jimmy Stoneburner and Barry Bower. Christina Hutchings was en route, arriving at 1:36 p.m. Also present were Executive Director John Crumb, Executive Assistant Anne Richmond, Engineer Paul Schram, Village of Augusta Manager Jeff Heppler, and Accountant Robert Loftus. Attorney Rob Thall participated via Zoom. Mark Rodgers and Walt Ruszkowski were in the audience.

REVIEW AND SET THE AGENDA: Crumb revised the Agenda to add the extension of the Seber Tans contract for audit services under New Business. Crumb also revised the agenda to discuss the WAC Review for New Authority Board Members before Individual Township Education Meetings for WAC. Stoneburner made the motion to set the Agenda as revised. Motion was seconded by Bower. **Motion carried: all ayes.**

HEAR THOSE PRESENT (Non-Agenda Items): Walt Ruszkowski would like to connect sewer to a property on Sherman Lake but is currently unable to due to existing easement language that prohibits it. He asked about potential solutions that would allow him to connect to sewer.

Auditor Presentation: Motion: Authorize Seber Tans to Submit FYE 3/31/2021 Audit
Robert Loftus from Seber Tans, PLC was present to review the results of the GLSWA audit for FYE March 31, 2021 with the Board. The Auditors' Report on the Financial Statements was an unqualified "clean opinion". There were no concerns with management to report. Due to the small size of the Authority's office staff, segregation of duties is a significant deficiency. Loftus encouraged the board to continue their diligence in monitoring the financial reports and asking questions.

Total Assets increased \$898,000 or 6.2%. Total Liabilities increased \$1,249,000 or 593.5%. Total Net Assets decreased \$351,000 or 2.5% due to capital contributions being less than depreciation. Revenue decreased by \$70,000 or 3.9%. User Fees represent 78% of total revenue, however, variation in industrial and purge flow revenue will impact the Authority's operating revenue. Industrial revenue in FYE 2020 was impacted by a meter issue which was corrected in FYE 2021. Expenses decreased by \$42,000 or 1.8%. Compensation, Treatment Charges, and Depreciation make up approximately 86% of GLSWA's expenses. The monthly

cost per REU is \$27.88, an increase of \$1.29/REU over last year. Absent depreciation, the Authority had an excess of operating revenues over operating expenses of approximately \$80,000 in 2021. This compares to an excess of operating revenues over operating expenses of approximately \$105,000 in 2020. Operations generated \$140,000 of cash flow in FYE 2021. Loftus reviewed a summary of key GLSWA financial data in tabular and graphical form. FYE 2021 was a financially solid year consistent with past years. The Authority did take on debt for equipment purchases. Revenue and expense growth has been consistent and will need to be a consideration in the rate analysis. Stoneburner made the motion to approve the audit as presented and authorize Seber Tans, PLC to finalize and file the audit with the State of Michigan as required. Motion was seconded by Bower. **Motion carried; all ayes.** The Board thanked Robert for his work.

CONSENT AGENDA:

Security Mentor Progress Report-Crumb announced that the 9-month window for Security Mentor is coming to a close and encouraged everyone to take advantage of the training. Harma expressed appreciation for including the Townships in the training as it has been very valuable.

6130 W. Sherman Lake Drive-Crumb notified the Board that GLSWA has completed work for the grinder installation on this property to our high quality of customer service and that he is sending a letter to the homeowner communicating this and included the final invoice for remittance.

5295 Collingwood-Attorney Thall will send a communication to Director Crumb advising if the outstanding charge for the sewer capping expense is collectible or if it should be written off.

A motion was made by Hutchings and seconded by Stoneburner to approve the consent agenda. **Motion carried; all ayes.**

NEW BUSINESS

Wes Kahler Replacement for WAC Discussion/Motion
A motion was made by Harma and seconded by Stoneburner to appoint Barry Bower as the GLSWA Board Representative on the WAC. **Motion carried; all ayes.**

WAC Review for New Authority Board Members Discussion/Motion
Crumb provided an overview of the WAC (Water Advisory Committee) and offered options to further educate the new Authority Board Members.

Individual Township Education Meetings for WAC Discussion/Motion
A motion was made by Stoneburner and seconded by Hutchings to authorize the Authority Director and Engineer to work with the 4 member townships to set up 90-minute educational meetings in each of their townships for WAC that would include the Fire Chief in the Spring of 2022. The presentation will be reviewed with the Board prior to the meetings. **Motion carried; all ayes.**

M96 Pipe Rehab Update Discussion
Granite Inliner is under contract and is scheduled to begin work in late October.

Contract Renewal-Seber Tans Discussion/Motion
A motion was made by Stoneburner to approve a 3-yr contract with Seber Tans for audit services as reviewed. Motion was seconded by Hutchings. **Motion carried; all ayes.**

Sherman Lake Connections Discussion/Motion
A motion was made by Bower to mandate the Director to work with the Ross Township Supervisor and Attorney to develop a plan and timeline to facilitate notice of mandatory 18-month sewer connection for the Sherman Lake Sewer District per the Sewer Ordinance adopted by Ross Township. Motion was seconded by Stoneburner. **Motion carried; 3 ayes, Hutchings abstained.**

OLD BUSINESS: On Going

Projected

Crumb reviewed the updated Master List.

Crumb had a favorable discussion with Cooper Township on the future contract agreement.

GLSWA has hired Laurie Beelick for the Office Assistant position and she is scheduled to start training on September 21, 2021.

CLOSING COMMENTS

Bower indicated work will soon begin on a commemoration for Wes Kahler.

ADJOURN.


Stoneburner made the motion to adjourn the meeting. Motion was seconded by Hutchings. **Motion carried; all ayes.**

The meeting was adjourned at 3:51 p.m.

NEXT MEETING:

WEDNESDAY, OCTOBER 20, 2021 1:30 P.M.

Submitted for approval


Jimmy Stoneburner – Secretary