

Gull Lake Sewer & Water Authority

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MINUTES OF THE SEPTEMBER 18, 2014 REGULAR BOARD MEETING

Authority Board Meeting

1:00 P.M.

CALL TO ORDER/ ROLL CALL: Chairman Stoneburner called the meeting to order at 1:00 P.M. Commissioners present were Jimmy Stoneburner, Wes Kahler and Paul Dykstra. Commissioner Alan Bussema was absent. Also present were Executive Director Rich Pierson, Executive Assistant Anne Richmond, and Engineer Tom Wheat. Robert Loftus and Monica Loegel from Seber Tans, PLC were present to review the audit for the Board.

REVIEW AND SET THE AGENDA: Pierson noted an addition to the agenda under New Business-Asset Management: Pipe Repair. Kahler made the motion to accept the Agenda as revised. Motion was seconded by Dykstra. **Motion carried; all ayes.**

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

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

CORRESPONDENCE:

Sherlaw-11719 Yorkshire New Grinder Pump Installation
GLSWA agreed to complete the installation within 3-4 weeks of receipt of a minimum down payment of \$3,000 and invoice the remaining funds upon completion of the work with funds from the closing. We have received the down payment.

Hamilton/Lobello-12188 S. Sherman Lake New Grinder Pump Installation
GLSWA agreed to complete the installation within 2 weeks of receipt of a minimum down payment of \$6,446 and invoice the remaining funds upon completion of the work with funds from the closing. We have received the down payment.

Smith-6847 N. 37th Street New Grinder Pump Installation
GLSWA provided a good-faith estimate to connect 6847 N. 37th Street to the public sewer. We have not received a down payment.

Deering-12175 S. Sherman Lake New Grinder Pump Installation
GLSWA provided a good-faith estimate to connect 12175 S. Sherman Lake Drive Street to the public sewer. We have not received a down payment.

Bullard-991 S. Gull Lake Drive Correction/Quote
GLSWA made a correction to our files for Mr. Bullard's address and noted that his garage is not connected to public sewer. GLSWA also provided a good-faith estimate to connect his second homes to the public sewer. Since the homes are more than 200 feet from the sewer, they have not been required to connect and are the only homes on Gull Lake that are not connected to public sewer. *Pierson to discuss the connection issue with Mr. Bullard to attempt to negotiate a grinder pump connection, in order to have the two homes (lake home and guest cottage) connected.*

Crockett-4634 EGLD Raised Manhole in Easement
Mr. and Mrs. Crockett were advised that in order to do our camera inspection of the pipeline and manhole, we had to access the manhole in their yard and we raised the manhole up to within 1" of grade for future access. This will be necessary for other manholes in our sewer easements.

Ferris, Jessica-DEQ SAW Grant Revised SAW Budget Approved
GLSWA submitted a SAW Grant budget revision that included PICA forcemain evaluation and revised vactoring/televising pricing to the DEQ. Ms. Ferris of the DEQ notified GLSWA that the proposed changes are fine to proceed with.

NEW BUSINESS/PROJECTS:

Asset Management Implementation Update on Schedule & Progress
Pierson presented an update on the Asset Management plan. We have vactored 90,807 feet and CCTV'd 25,824 feet out of 191,000 feet through August 31st. As we inspect our pipelines, we are finding manholes that need to be raised and/or repaired. Pierson reviewed an estimate of \$13,000 for structure relining 3 manholes and repairing another. The 3 manholes were structurally deficient. A motion was made by Kahler and seconded by Dykstra to approve these manhole repairs for an amount not to exceed \$13,000. **Motion carried; all ayes.** Pierson informed the Board that we had also discovered a problem with a forcemain that needed to be repaired. He estimates this may cost \$20,000. He will have more information at the next meeting.

Steensma-Snow Plow Bid Request Authorization for Purchase
Pierson reviewed a quote for a new plow. Dykstra made a motion to authorize the purchase of a new plow at a cost not to exceed \$5,000. Motion was seconded by Kahler. **Motion carried; all ayes.** The old plow may possibly be refurbished.

Pole Barn-Site Plan and Plans Update
The preliminary cost estimate is \$110,000. Pierson applied for a building permit and contrary to how we were advised in April, was told that we need to apply for Ross

Township site plan approval. *Pierson to determine if steel enclosure (\$4000) is necessary for Vector storage this winter and bring this back to the Board if necessary.*

Permits for New Construction

Update

We have issued 35 permits for connection, tear down and capping, and televising upper laterals through August. There were 31 permits issued last year at this time.

Miscellaneous Customer Fees

Discussion

Pierson proposed visiting two known residences with sump pump violations and will prepare documentation for a Miscellaneous Customer Fee to be reviewed at the next Board meeting. Dykstra made the motion to move forward with the implementation process for the miscellaneous customer fee. Motion was seconded by Kahler. **Motion carried; all ayes.**

Annual Delinquent Certification

Authorize Certification to the Tax Roll

A list of delinquent sewer use accounts for the annual certification to the local unit tax rolls was provided to the Board members for their review. As payments are made, GLSWA removes the account from the list. Stoneburner made a motion to approve the annual delinquent certification list as submitted on September 18, 2014. Motion was seconded by Dykstra. **Motion carried; all ayes.** *The final delinquent sewer certification list will be sent to the Township Treasurers in early November to be put on the tax roll.*

Rate Increase

Effective October 1, 2014

Effective October 1, 2014, the monthly rate will increase from \$24.67 per month (\$74 per quarter) to \$26 per month (\$78 per quarter). This is the third in a series of 3 rate increases approved in 2012.

Staffing

Update

A part time building and grounds employee resigned after finding full time work. Pierson to report on staff adjustments next month.

Audit Presentation

Authorize Submittal to State

Robert Loftus and Monica Loegel from Seber Tans, PLC were present to review the results of the GLSWA audit for FYE March 31, 2014. Auditor Loftus reviewed a summary of key GLSWA financial data in tabular and graphical form. GLSWA is financially strong and has significant assets relative to liabilities. GLSWA has continued to pay debt ahead of schedule and has enough cash on hand for new sewer construction or capital improvements. Contributed capital has been decreasing in the last few years as construction has slowed down and depreciation expense has remained steady. This has resulted in a decrease in Net Assets for the Authority. Compensation, Treatment Charges, and Depreciation make up approximately 86% of GLSWA's expenses. "Base" revenue (excluding industrial and purge flow revenue) is approximately 66% of total revenue. Any variation in industrial and purge flow revenue will significantly impact the Authority's operating revenue. Absent depreciation, the Authority had a surplus of operating revenue over expenses of

approximately \$166,000 in 2014. This compares to a surplus of operating revenue over expenses of approximately \$154,000 in 2013. There were notes added to the financial statements for the award of the SAW Grant to GLSWA and for GLSWA's participation in the lawsuit against the City of Kalamazoo regarding rates and charges for water and wastewater services. There were no management concerns to report. Mr. Loftus recommended that the Authority Supervisors review key financial reports as separation of duties is limited due to the small size of the Authority's office staff. Dykstra made the motion to approve the draft audit as presented and file the audit with the State of Michigan as required. Motion was seconded by Kahler. **Motion carried; all ayes.** The Board thanked Robert and Monica for their work.

OLD BUSINESS: ACTIVE

Regional Commission – City of Kalamazoo Update
Discussions on long term contracts began on August 25, 2014.

Gull Lake Condos Easement Variance Request
Ms. Ortega, legal counsel, contacted us regarding the sewer easement for the Gull Lake Condominium Development in the Village of Richland. The historic easement was not described as well as we would have liked -- and a 10 foot encroachment was allowed for the southerly bank of homes -- and the new development wishes to have some encroachment. Awaiting response from developer's attorney whether they will be requesting variance from easement.

PICA Forcemain Evaluation Scheduled for November 10th
The first portion of the PICA evaluation (\$90,360, net of engineering and prep work by the Authority) for the upper 1.94 miles of our 4.3 mile long ductile iron force main is scheduled for November 10th.

Cooper's Landing New Apartment Construction
New apartment phase with sewer is under construction with oversight and supervision from Prein & Newhof on our behalf, paid for by the developer.

OLD BUSINESS: INACTIVE

Air Release Valve Rebuilding Rebuild 10 Air Release Valves
As a result of the SSO incident in July 2013 with the galvanized nipple on an air release valve, GLSWA has rebuilt 8 Air Release Valves. There are 2 yet to be rebuilt.

Grinder Lines (37th Street Only) Corrosion – Erosion Prevent
There is a known corrosion issue with ductile iron next to copper grinder line connections -- and these are being remedied (wrapped or replaced with plastic). We have completed 6, and there are 4 in Charleston and 1 in Ross Township yet to do. These will be done in 2014-2015.

Personnel Policy + Ethics Policy Updates
 Proposed updates to be reviewed - Target date November.

Televising 4" Building Sewers Summary + Cost Update
 Pierson is comfortable with the \$85 televising fee at this time. We will continue monitoring and prepare a summary of findings to date for televising 4" building sewers and an update on the estimated cost in the future.

Telephone Consolidation / Savings Investigating Options
 GLSWA is investigating options for a new phone system that would consolidate phones, internet and cell phones.

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.*

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.*

Emergency Fuel Acquisition Awaiting Reorganization 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. *Awaiting reorganization and cleaning of the pole barn and outside storage before purchasing.*

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.

Entrance Sign-Landscaping Proposal Authorization for Landscaping-Sign
The initial plantings are in 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.

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

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.

Zoetis-Meter Installation Update

New Meters to be Installed

Zoetis is going to install new meters. Pierson suggested that Engineer Tom Wheat witness the set-up and testing when it occurs. We anticipate a reduction in billable flow when this occurs.

Morsman – 2852 Arctic

Repair-Driveway Settlement around Manhole

There is a public sewer manhole in the concrete drive and the area around the manhole has settled, cracking the drive. GLSWA has authorized a contractor to make this repair.

FINANCIAL REPORT

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

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

CLOSING COMMENTS

ADJOURN. NEXT MEETING THURSDAY, OCTOBER 30, 2014 at 1:00 p.m. Chairman Stoneburner adjourned the meeting at 1:58 p.m.

Submitted for approval


 Alan Bussema – Secretary