

# Gull Lake Sewer & Water Authority

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## **MINUTES OF THE SEPTEMBER 25, 2008 REGULAR BOARD MEETING**

Authority Board Meeting

1:00 P.M.

**CALL TO ORDER/ ROLL CALL:** Chairman Bither called the meeting to order at 1:00 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, Engineer Tom Wheat, Auditor Robert Loftus, and Dan Frizzo from Prein & Newhof. Mr. & Mrs. Howard stopped by for discussion of sewer in Tanglewood, but left after being advised that this will be discussed in more detail at the next Board Meeting.

**REVIEW AND SET THE AGENDA:** Turner made the motion to accept the agenda as presented. Motion was seconded by Light. **Motion carried; all ayes.**

**MINUTES OF THE AUGUST 21, 2008 REGULAR BOARD MEETING:** A motion was made by Stoneburner and seconded by Light to accept the regular meeting minutes of August 21 as presented. **Motion carried; all ayes.**

### **HEAR THOSE PRESENT (Non-Agenda Items):**

Dan Frizzo from Prein & Newhof demonstrated enhancements to the GIS system.

Robert Loftus from Seber Tans, PLC reviewed the audited financial information for the FYE March 31, 2008. GLSWA is in a strong financial position in terms of capital assets relative to debt and is generating cash flow from operations. The net loss from operations of \$(344,818) is due to depreciation. Absent depreciation, the Authority had an excess of revenues over expenses of \$84,641 in 2008. This compares to \$158,000 in 2007. Operating costs have increased primarily due to the 30 % increase in the City of Kalamazoo "bulk" sewer rate since July 1, 2007.

### **CORRESPONDENCE:**

To: Village of Richland                      Proposed Water Surcharge  
The Village of Richland was considering a water surcharge on Village Customers.  
Information was provided to them for their consideration.

E-Mail To: Schutte                      Little Long Lake South Extension  
Mr. Schutte has expressed interest in public sewer on Little Long Lake. For the 19 parcels along the east shore, gravity sewer is possible at a cost of \$21,050 per home or a grinder pump option can be put in for \$13,000 per home. Tanglewood (south shore) would almost have to be grinder pump due to the terrain and long narrow lots, and their cost would also be \$13,000. *Pierson to put together advisory letter to be*

*reviewed at the next meeting with recommendation as to type of sewer and whether mandatory connection will be required.*

To: Ducharme DEQ Proposed DEQ Contract

A proposed renewal agreement for the continued discharging of purge water at the former PPP site in Richland Township now owned by the DEQ was sent to Mr. Mark Ducharme. We are proposing a change in the methodology to charge DEQ a rate 2.0 x the rate that the City of Kalamazoo charges us rather than the current methodology which equates to approximately a 1.4 multiplier. This proposed amount is still a discount from the ordinance charge of \$21.67 per unit (per 200 gal/day average flow). The proposed agreement will need to be approved by Richland Township as well. Assuming the flow remains constant, the proposed rate is estimated to result in an additional \$2,500 per month in fee revenue.

To: Palmatier Homeowner Connection

The last 30 feet of the 4" building sewer at 5256 Beverly was improperly installed by the homeowners. They were to re-dig and re-work the last 40 feet so that it would not cause problems for their residence and contact our office that the correction had been made. They have not responded. A copy of the letter was placed in their file for reference.

To: Houseman Sewer Use Bill Discontinuation

Mr. Houseman was advised that in order to discontinue sewer use billing, water service needed to be turned off with the City of Parchment. Our sewer use billing discontinuation policy has been modified—see discussion in New Business section.

To: Oudsema Hillcrest Water

Mr. Oudsema was asked for a status update on his needs for a water contract. In order to move forward, GLSWA needs some type of longer-term bonding to cover O&M costs in case of too few homes.

To: Richland Village Storm Water Run Off

GLSWA was asked by Rosemary Woodward, Clerk for the Village of Richland, to review storm water runoff at 8795 E. DE Ave. Engineer Tom Wheat and Director Rich Pierson reviewed the property and the files and records and concluded that the Authority (as a public sanitary sewer agent) does not have any further responsibility in this matter.

E-Mail To: Silverstein Sale of Weatherstone Village

Ms. Silverstein, legal counsel for the new owner of Weatherstone Village, was advised of the contract that GLSWA has regarding Weatherstone Village and asked to provide contact information for the new owner.

To: Austenfeld New (remote) barn

Mr. Austenfeld (Sherman Lake YMCA) inquired as to the best method of connecting the new barn facilities to the public sewer system. The cost for the recommended

grinder pump system was \$11,200-\$12,000 due to the 1000 feet of discharge piping necessary to access the sewer. Mr. Austenfeld has decided to go with a septic system.

## PROJECT UPDATE:

30<sup>th</sup> Street North      Update: Project Start; Meeting with homeowners  
The 30<sup>th</sup> Street Sewer project to the Allen Edwin property has started.

A meeting was held with some North 30<sup>th</sup> Street Property Owners north of 8230 N. 30<sup>th</sup> Street. They had been informed that the 30<sup>th</sup> Street project is not currently designed to service their property, however, if they were interested in having public sewer service extended north, it is estimated the cost would be \$13 per foot plus \$11,500 per parcel. They had requested a meeting to discuss concerns and ask questions.

A resident on D Ave. west of 30<sup>th</sup> St. had inquired about sewer availability. Wheat had prepared an estimate of approximately \$17,000 per home. *Pierson to forward a an advisory survey to the homeowners in this regard.*

Gilmore Farms Phase 1B      Additional 40 lots  
Allen Edwin will be adding an additional 40 lots that will be connecting to the Parker Hannifin sewer. This project is in the ground and being inspected for public approval and acceptance.

Generator at LS #13 Lawrence's      Update-Motion to Release Easements  
As part of the new stand-by generator installation at LS #13 (located south of Lawrence's home, 15691 M-43) discrepancies between existing easements of record and the location of the pipes and pump station needed to be corrected. The Lawrence families have executed Easement documents 1, 2 and 3. The original easements were in the name of Barry County, and Barry County has formally (by resolution) assigned the easements that need to be released to GLSWA. A motion was made by Turner and seconded by Stoneburner to release these easements. **Motion carried; all ayes.** *Pierson to have the releases + easements recorded at the County and forward executed copies of the easements and two full size maps need to Mr. Lawrence.*

Timmer Grinder Pump Connection      Completed Sherman Lake  
This difficult connection was completed on 9/10/08. Currently, the installation cost is \$241 over the estimate and may go to \$1,000 over the estimate. *Pierson to meet with her to finalize the work and negotiate final cost allocation between GLSWA and Timmer.*

Osborne Grinder Pump Connection      Completed  
Mr. Osborne requested improvements to his sewer connection. Connection via gravity sewer failed (4" pipe boring attempt under M-43) resulting in the installation of the "fall back" connection using a grinder pump. This is the 6<sup>th</sup> grinder pump connection on Gull Lake (out of 1000 connections +/-). There are 24 grinder pump connections

on Sherman Lake and an additional 24 along 37<sup>th</sup> Street. *Pierson to meet with Osborne and negotiate final cost allocation between GLSWA and Osborne.*

Little Long Lake Sewer Extension (Tanglewood) Proposed 2 stage project  
Refer to discussion above under Correspondence, Email to Schutte, Little Long Lake South Extension.

Richland Condos Rosenberger  
No payment has been received for outstanding invoice 509 for \$6,135.82 for the reimbursement of engineering fees incurred on behalf of his development.

Tamarron Richland Township/ discussion  
This project is again being considered by several homeowners within Tamarron, as the 25 properties are faced with approximately \$4000 each for a replacement road. The Authority (in the past) has supported constructing the pump station in between the Tamarron development and the plat known as Cotter's Ridge. *Pierson to meet with the Township and prepare an advisory petition for mailing.* If Cotter's Ridge is not supportive of the project, *GLSWA needs to determine if we are still willing to provide \$87,000 funding to put the Pumping Station in the optimum location for future development.* There will be more discussion on this at the next Board Meeting.

MSU 40<sup>th</sup> Street Sewer Project  
A proposal was provided to Gull Lake Community Schools and the Kellogg Bio Station for providing public sewer to their respective facilities. There has been no response from the Gull Lake Community Schools and MSU is apparently considering the project. *Pierson to follow up with MSU regarding financing options and also to meet with the GL Schools.* Previously, the Authority "waived" future indirect fees for this project as the participants are public agencies. *GLSWA will need to re-consider if future indirect fees would be waived for a public agency.*

## NEW BUSINESS

Policy Sewer use billing discontinuation  
Due to a large number of homes "for Sale" and/or vacant for other reasons, many owners are asking us to waive the sewer use bill. Pierson modified GLSWA's policy for discontinuation of sewer use quarterly billing and reviewed it with the Board. A motion was made by Turner and seconded by Stoneburner to adopt the revised Discontinuation of Sewer Use Quarterly billing policy as reviewed. **Motion carried; all ayes.** (See Policy attached.).

Termination of 457 (b) deferred comp plan Resolution  
A motion was made by Stoneburner and seconded by Turner to approve the attached Resolution to terminate the Authority's 457 (b) Deferred Compensation Plan. **Roll Call Vote taken; all ayes; Motion carried; Resolution adopted.**

Lien Process Security of Liens on property



Pierson is researching the lien process in order to determine if the liens GLSWA has placed on properties for sewer construction and sewer connection contracts are secure.

Sanitary Sewer Overflow                      Report/update

The report was updated for the 9/14/08 breach at Lift Station #1 into the 5-acre swamp due to the 10" rain event over three-four days.

Award Confirmation                      Generator/Trailer

Sealed bids were opened on September 18, 2008 for the 2 axle trailer. It was sold to the high bidder, Mr. Thornburgh, for \$2,670.

Sealed bids were opened on September 18, 2008 for the 1981 Onan Diesel 125 kw generator being replaced at LS#1. A motion was made by Light and seconded by Turner to reject the non-responsive bid by Mr. Smith and award the generator to Mr. Howard for \$2,151.51. **Motion carried; all ayes.**

DEQ                      PPP contract - Update

Refer to discussion above under Correspondence, To Ducharme DEQ, Proposed PPP contract

Staffing Request                      Discussion

Pierson reviewed the need for a new full time person in Maintenance Operations to assist Barry Bowman. A motion was made by Turner and seconded by Stoneburner to approve the job description, place an ad in the paper, and move toward a projected November 15 hiring date. **Motion carried; all ayes.**

Office Remodel                      4 Quotes for Concept/Development

A motion was made by Turner and seconded by Light to choose O'Boyle/Blalock to prepare conceptual plans for the office remodeling project for \$4,000 as quoted. **Motion carried; all ayes.**

## OLD BUSINESS

Little Long Lake                      100% Connected

Existing 7 homes Englewood                      4 Contracts signed at old rate

GIS Improvements                      Discussion

GLSWA is considering several improvements to our current GIS system to improve functionality. Estimated costs for improving GIS have been updated. It is now recommended to be implemented in two phases. A motion was made by Light and seconded by Stoneburner to approve up to \$16,600 for Phase I GIS improvements to occur in 2008. **Motion carried; all ayes.** Phase I improvements consist of upgrading existing GIS with contours and adding a significant portion of Ross Township data. Phase IIa (New network server with new desktops and peripherals = \$15,000) and Phase IIb (Transfer of relevant parcel material into GIS program = \$7,200) are

targeted to be implemented in 2009 or 2010 as (if) we move ahead with the building renovations.

31<sup>st</sup> Street water connection program                      Update  
Pursuant to a request by a G. Avenue property owner, Pierson is to prepare an "expanded" 31<sup>st</sup> Street Water Connection program to Richland Township. *Pierson to meet with Light to discuss options further and possibly narrow down the district.*

Water Connection Fee                      Replacement is a Township obligation  
The replacement of water pipes will become a township obligation and will have an impact on the amount of the proposed water connection fee. *Pierson to prepare recommendations and deliver to the Township.*

Parchment                      Bowman to do additional sulfide testing

Charleston Service District                      Proposal to be prepared  
*Pierson to prepare proposal for Board approval.* The City will need to release those customers if Charleston Township is interested in having the Authority operate and maintain the public sewers south of M-96 + I-94.

Truck Purchase                      Keep existing Van, purchase new pickup  
*Bowman to proceed to obtain bids for new 4 x 4- 1500 series pickup.*

## FINANCIAL REVIEW/ PAY BILLS

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

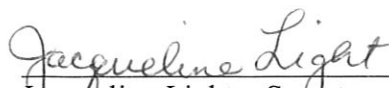
## CLOSING COMMENTS

The interest rate for Bay Arbor is currently set at 7%. The Board was asked to consider a lower rate. A motion was made by Turner and seconded by Light to keep the interest rate at 7%. **Motion carried; all ayes.**

Pierson discussed the Red Flag program concerning customer privacy and will evaluate the requirements for GLSWA.

ADJOURN MEETING TO OCTOBER 23, 2008 at 1:00 p.m.: Chairman Bither adjourned the meeting at 3:05 p.m.

Submitted for approval

  
Jacqueline Light – Secretary

## Discontinuation of Sewer Use Quarterly billing

Overview: Due to a large number of homes "for Sale" and or vacant for other reasons, many owners are asking us to waive the sewer use bill.

Under current policy, to discontinue sewer use billing requires at least one of the following conditions be met:

- Electric meter shut off
  - Interior plumbing disconnected (stools set aside & traps disconnected under all sinks)
  - Public water shut off (if connected to public water)
  - Must be vacant for at least 12 months with no incidental use
  - Sewer disconnected at the street (excavated and properly capped-off)
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Recommended: It is recommended the attached policy be implemented, effective immediately.

A. FOR HOMES ON GRAVITY SEWER WITHOUT PUBLIC WATER (on private well)

Discontinuing sewer use billing requires #1 or #2 below:

1. Electric meter shut off with meter removal by power company.
2. Sewer disconnected at the street (excavated and properly capped-off), permit required, currently \$75. A turn-on permit + fee of identical amount is due upon request for reinstatement of service.

B. FOR HOMES ON GRAVITY SEWER WITH PUBLIC WATER (no private well)

Discontinuing sewer use billing requires #1 plus #2 below, or alternatively, #3:

1. Water service discontinued by the providing public agency (ie. City of Kalamazoo)
2. Electric meter shut off with meter removal by power company.
3. Sewer disconnected at the street (excavated and properly capped-off), permit required, currently \$75. A turn-on permit + fee of identical amount is due upon request for reinstatement of service.

C. HOMES CONNECTED TO PUBLIC SEWER WITH GRINDER PUMP

Discontinuing sewer use billing requires a permit (currently \$75) and the signing of a hold –harmless waiver. The Authority will turn off system until notified. A turn-on fee of identical amount is due upon request for reinstatement of service.

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RESOLUTION OF THE BOARD OF COMMISSIONERS OF

GULL LAKE SEWER / WATER AUTHORITY

RE: GROUP PENSION PLAN

At a meeting of the Board of Commissioners of the Gull Lake Sewer and Water Authority, organized and existing under and by virtue of the laws of the State of MICHIGAN held on the 25<sup>th</sup> day of September, 2008, pursuant to a consent to hold the meeting, such consent indicated by the signatures of all Commissioners to this resolution.

Present: Jeffrey W. Bither; Jackie Light ; Jimmy Lee Stoneburner ; Roger N. Turner

Absent: None

Motion by Stoneburner, seconded by Turner to approve the Resolution to terminate the Authority's 457 (b) Deferred Compensation Plan.

RESOLVED, that the organization terminate the 457(b) Deferred Compensation Plan, effective September 25, 2008.

FURTHER RESOLVED, that in order to complete the termination, the Board take the necessary steps under Article VIII, Section 8.2 (a) and (b) of the Master Deferral Compensation Plan Document to prepare written notification to Burnham & Flower, and to the investment provider (ING) of the decision to discontinue the Plan, and facilitate the distribution of Plan assets to all participants.

Roll Call Vote:

Ayes: Turner; Light; Stoneburner; Bither

Nays: None

Abstain: n/a

Resolution declared duly adopted:

Jackie Light  
Secretary

The Board of Trustees:

Jeffrey W. Bither  
Jeffrey W. Bither

Jimmy Lee Stoneburner  
Jimmy Lee Stoneburner

Jackie Light  
Jackie Light

Roger N. Turner  
Roger N. Turner