

Gull Lake Sewer & Water Authority

P.O. Box 458 - 11829 E. M-89

Richland, Michigan 49083

Phone: (269) 731-4595

Fax: (269) 731-2596

E-Mail: gulllakesewer@tds.net

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MINUTES OF THE OCTOBER 29, 2009 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, Jackie Light, Jim Stoneburner and Wes Kahler. All present. Also present were Director Rich Pierson, Office Manager Anne Richmond and Engineer Tom Wheat. Mr. and Mrs. Brian St. John were in attendance to discuss the requirement to connect their house to the public sewer upon septic failure and the location of the current sewer lead.

REVIEW AND SET THE AGENDA: Pierson revised the agenda to discuss Office remodel + improvements after Augusta in Old Business rather than in the Project Update section. Stoneburner made the motion to accept the agenda as amended. Motion was seconded by Kahler. **Motion carried; all ayes.**

MINUTES OF THE SEPTEMBER 30, 2009 REGULAR BOARD MEETING: A motion was made by Light and seconded by Stoneburner to accept the regular meeting minutes as presented. **Motion carried; all ayes.**

HEAR THOSE PRESENT (Non-Agenda Items):

Mr. and Mrs. Brian St. John were present to discuss the requirement to connect their house (7966 N. 30th St.) to the public sewer upon septic failure and the location of the current sewer lead.

After much discussion and agreement by Mr. and Mrs. St. John, a motion was made by Light and seconded by Stoneburner to reduce the sewer connection fee to their property to \$2,500 from \$10,290 in consideration of the cost of removing and reinstalling a sewer lead with an easement to be granted by Mr. and Mrs. St. John to Gull Lake Sewer & Water Authority for the existing sewer lead that may have been constructed on their private property. *Pierson to prepare short form agreement and easement to be signed by Mr. & Mrs. St. John.* The \$2,500 connection fee will not be due until the owner of the property is required to connect to the public sewer due to septic failure as determined by the Health Department or when the owner elects to connect, whichever comes first. **Motion carried; all ayes.**

CORRESPONDENCE:

Gull Lake Landscaping Changed from 2.0 to 1.0-meter reading error
Mr. Bruce Snyder of Gull Lake Landscaping was informed as part of the commercial review that he was using a tremendous amount of water, even through the winter months. It turns out the readings were estimates rather than actual usage. GLSWA

agreed to adjust Mr. Snyder's assessment back to 1.0 unit until actual readings can be evaluated.

Farley Estes Funeral Home Changed from 2.0 to 1.0-exterior leak
As part of the commercial review, the billing factor for Farley Estes Funeral Home was increased from 1.0 to 2.5 units based on water use records. Since the readings were estimates and there was a possible leak, GLSWA agreed to lower the billing factor back to 1.0 unit. This will be looked at again next year and any appropriate adjustment will be made.

Stafford Farms Response Manhole marker alternative- in Pfizer Farms
Mr. WJ Stafford requested that the two Pfizer farms sewer manhole markers that had been shortened to 48" remain at that height with some other type of reflector to provide further identification and satisfy the needs of all parties involved. GLSWA agrees this would be acceptable.

Kreps-Richland Animal Hospital Agreed on 2.0 with capital charge of \$3,250
As part of the commercial review, GLSWA had proposed leaving the billing factor for Richland Animal Hospital at 3.0 units and postpone invoicing any capital fees until next year in hopes that further water use reductions could be achieved. After further discussion with Dr. Kreps, GLSWA agreed to adjust the user bill to a factor of 2.0 units and invoice the one-time capital fee based on 2.0 units. GLSWA also agreed to credit the next invoice the appropriate retroactive adjustment for a factor of 2.0.

Eckler-Gull Lake Animal Hospital Agreed on 2.42 with capital charge of \$4,615
As part of the commercial review, GLSWA had recommended settling the "capital" side of their account at 2.42 units (one-time fee of \$4,615), however, due to new construction, GLSWA will have to re-evaluate the water and corresponding sewer use of the new facility. After further conversation, it was agreed that the existing account would be settled at 2.42 units and GLSWA will then monitor the new facility over the next two years and hope that 2.42 is the average daily water use.

Maloney-Homeowner Visit Providing info to Mr. and Mrs. Maloney
Rich Pierson had visited the north end of Gull Lake on October 3, 2009 to re-familiarize himself with areas of the sewer system that he does not visit on a routine basis in preparation for a manhole inspection of the system beginning either this winter or spring. A letter was sent to Mr. and Mrs. Maloney explaining the purpose of his visit and following up on issues raised during their discussion that day to address any concerns that they may have had.

Terry Vliek-Norm's Electric Motor Bridgeway Service Contract Selection
Mr. Vliek was informed of the Authority Board's decision to renew Bridgeway's 5-yr proposal and thanked for his time in submitting and responding to our questions.

Kal County Response Response on the penalty and interest issue
GLSWA recently had to pay an additional \$9,492 in penalties and interest when delinquent amounts received had to be paid back to Kalamazoo County. Rich Pierson expressed concern that the Authority, as a public entity, was required to pay penalties and interest. Ms Mary Balkema, Kalamazoo County Treasurer, explained that by law, she is unable to authorize any refund. Legitimate objections to delinquent taxes, fees, and penalties must meet specific criteria which were not applicable to GLSWA's situation.

PROJECT UPDATE:

30th Street South Forcemain or Gravity from Engelwood-Water Tower
Pierson and Wheat are evaluating the feasibility of designing the 30th Street South sewer when the route is not finalized.

NEW BUSINESS

G. Avenue Manhole repair proposals Hoffman Bros. + Road Comm project
A motion was made by Kahler and seconded by Light to authorize pavement repair to G Avenue in the Spring of 2010 for an amount not to exceed \$3,773.37 as quoted by Hoffman Brothers with the agreement that the Road Commission will be responsible for road closure. **Motion carried; all ayes.**

New Concrete Work at LS #9 and LS #14 Expended \$3,000
2 Concrete pads were completed at a cost of \$3,000; \$2,800 had been included in the capital budget for these items. A motion was made by Stoneburner and seconded by Light to approve this expenditure. **Motion carried; all ayes.**

Insurance Proposals from Competing Firms Request Hartleb for 2 years
A motion was made by Light and seconded by Stoneburner to remain with the Hartleb Agency subject to the review of price for an additional 2 years. **Motion carried; all ayes.**

On-Call Pay Discussion
Pierson reviewed compensation options for on-call personnel as GLSWA will again be moving to a 3-man rotation, which impacts the annual compensation for the two employees who have shared on-call duties since 2004 (when we reverted to two-man from three-man rotation). This will be reviewed at the next meeting.

Sewer Lead at 7966 N. 30th St. Alleged trespass w/ sewer lead-resolution
See discussion under "HEAR THOSE PRESENT".

New Enzyme treatment for LS #1 In lieu of chemical-should be less costly
GLSWA is considering an enzyme treatment for LS #1 forcemain as a less costly solution than chemical treatment. A proposal for the enzyme treatment will be evaluated next week.

OLD BUSINESS

Connection Fee Review and Correspondence

A developer has asked that we lower or modify the Indirect Connection Fee charges as he believes he is not receiving a proportionate benefit from paying the fee.

Pierson summarized for the Authority Board the results of the extensive work that has been done to review the Authority's policies, practices and procedures with respect to cash investments into the system and to evaluate all sewer projects undertaken within the Authority districts since inception, determining the amount expended to oversize, construct, extend, improve and/or participate in the expansion of the system. This work has also been reviewed twice with our legal and bond counsel. Based on this analysis, the Authority believes the sewer connection fees, both direct and indirect, that are currently in place, are set at appropriate levels.

GLSWA Attorney Sparks, based in part on the conclusions of the projects review, wrote a letter in reply to Attorney Swenarton, the developer's Attorney, stating that the indirect connection fee in the amount of \$1,625 "is reflective of the necessary costs of oversizing the Authority's sanitary sewer system".

Charleston Township-Lien issue

Based on the connection fee analysis described above, Pierson noted that for many projects, GLSWA participates in the project without certainty of return on investment. He recommended that GLSWA not levy additional "connection fees" or "create a special district" with regards to Rambling Trails. Should the Rambling Trails development ever occur, the Authority will rely on the then current rates and charges (including indirect fees currently at \$1,625 per unit) to recover the Authority investment as it routinely does in other projects throughout the system. A motion was made by Stoneburner and seconded by Kahler to authorize Pierson to notify Charleston Township that GLSWA will not levy additional "connection fees" or "create a special district" with regards to Rambling Trails. **Motion carried; all ayes.**

Pfizer Farms

Pfizer was alerted via an e-mail to Mr. Mark Lemons that Pfizer Farms is approaching the point where new construction, such as the new Cattle Study Building, may require payment of a one-time connection/capacity fee. A meeting was held with Pfizer on October 21, 2009 to discuss this. GLSWA will continue to monitor and let Pfizer know if they exceed the threshold of 150,000 gal/day and would give them one-two years of overage before invoicing them on the capital side. Pierson reviewed a summary of the meeting with the Board.

New Server + Network PC's & Peripherals Update

IT Right has installed the new network server and 3 PC's (one more to be set up), is working on the Web site, and is supporting us with an annual service contract. GLSWA is moving towards full GIS capability, bill review + bill pay.

Manhole rehabilitation-inspection process

Pierson reviewed pictures of a demonstration of new manhole adjusting rings installed on October 14, 2009. The new design is expected to reduce leakage and result in labor and equipment savings. Engineer Wheat recommends utilizing this new design on the next system installation on a trial basis.

England Septic Repair

Pierson is drafting an assessment contract for Ms. England to repay our costs and pay for connecting to the public sewer.

Gildea-Bay Arbor Contract Lien

Closing is scheduled for November 13 for Unit #14 (now #17). The lien has been filed and the title company has contacted us for the amount due.

Inflow / Infiltration

Ongoing Project-received list from B-Dry Systems

Charleston Township Sewer

Ongoing Project-reviewing existing list of customers

Water Connection Fee

Ongoing Project-no contract yet w/ City of Kalamazoo

Driveway Maintenance Request

Lift Station #18-no new information

This item will be removed from the agenda.

Easement Releases-Kzoo + Barry

Ongoing Project

Augusta Flow Issues

Lift Station #1 protection has not yet been initiated.

Brooklodge issued a letter stating they will be closed as of December 31, 2009.

The Brooklodge water meter has failed, so the payment for the electrical costs and treatment costs for township flow through village lift station #1 for the third quarter were calculated based on estimated usage per G. Avis 10/7/09 estimate.

Office Remodel + Improvements

On-going by Mason / Swanson

Pierson will review the updated proposed exterior concept of the office remodel and request approval to go out for bid at the November 17, 2009 Board meeting.

FINANCIAL REVIEW/ PAY BILLS

A motion was made by Kahler and seconded by Stoneburner 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

ADJOURN. NEXT MEETING TUESDAY NOVEMBER 17, 2009 at 1:00 p.m. unless otherwise notified. Future meeting scheduled for Thursday, December 17, 2009 (with the Christmas luncheon). Chairman Bither adjourned the meeting at 2:42 p.m.

Submitted for approval



Jacqueline Light – Secretary