

Gull Lake Sewer & Water Authority

1

7722 N. 37th Street
Richland, Michigan 49083
Phone: (269) 731-4595
Fax: (269) 731-2596
www.glswwa.org

MINUTES OF THE FEBRUARY 24, 2011 REGULAR BOARD MEETING

Authority Board Meeting

1:00 P.M.

CALL TO ORDER/ ROLL CALL: Chairman Bither called the meeting to order at 12:55 p.m. Commissioners present were Jeff Bither, Jackie Light, Jim Stoneburner and Wes Kahler. None absent. Also present were Director Rich Pierson, Engineer Tom Wheat and Administrative Assistant Anne Richmond.

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

MINUTES OF THE JANUARY 20, 2011 REGULAR BOARD MEETING: A motion was made by Kahler and seconded by Stoneburner to accept the regular meeting minutes as presented. **Motion carried; all ayes.**

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

CORRESPONDENCE:

Fr: Road Commission Not interested in using side lot for slag
Rich Pierson had written Joanna Johnson, Managing Director of the Kalamazoo County Road Commission, proposing an agreement where we (the Authority) are not charged for our occasional road commission permits in exchange for the Road Commission's occasional use of the side lot for slag storage. Ms. Johnson indicated that they are reviewing other location options and are not interested in our offer at this time.

Dick Boris – Boris Realtors Stormwater+ Groundwater Elimination Program
Rich Pierson discussed with Dick Boris our interest in pursuing with the Kalamazoo Board of Realtors a possible addendum to the Kalamazoo area buy-sell agreement to find and eliminate groundwater sump pumps connected to the public sewer, including an inspection and sign-off by a qualified person. Pierson also spoke with the Public Service Director of the City of Kalamazoo + the Director of Transportation and Utilities of the City of Portage and both verbally indicated their support of this proposed change to the buy-sell agreements for Kalamazoo County.

Jeff Sorensen – Cooper Township LS #42 Pumps + Controls Upgrade
Jeff Sorensen, Cooper Township Supervisor, Bonnie Sytsma, Cooper Township Clerk, and Carol DeHaan, Cooper Township Treasurer were advised of upcoming "non-routine" maintenance expenses to replace a pump at the North Peak Plat lift station

#42 to address plugging problems with the current pump. The recommended option was to upgrade one half of the station to three phase and purchase 1 new pump and run it in the lead position at a cost of approximately \$7,500. Since this was beyond normal maintenance and repair, we advised Cooper Township that per our agreement with the Township, upon expending these funds from the original set-aside, we will require Cooper Township replenish the fund from the Township sewer reserves during 2011. We also advised Cooper Township as part of the Manhole Inspection process, a number of items that need repair were identified, some routine and some “non-routine”. These items will be reviewed in more detail after we’ve analyzed and sorted the work tasks and obtained estimated prices for the respective repairs.

Dennis Durham-City of Parchment Manager Cooper’s Forcemain Discharge
A letter was written to Mr. Durham to follow up on our 2008-2009 correspondence regarding a sulfur corrosion concern occurring where the Cooper Township sewer discharges into the 18” Parchment “interceptor” sewer at the paper mill site. Mr. Durham was updated on the results of recent manhole inspections and GLSWA repeated our commitment to be responsible for the replacement or repair of the receiving manhole and pipeline should it become necessary. This repair will also likely be a capital expense of Cooper Township, as the receiving pipe was considered for upgrading when the original connection was made, however, it was decided to wait and make sure the upgrade was necessary.

Wendy Dunkle-FCC, Inc. \$2,000 Construction Balance Inquiry
Wendy Dunkle of FCC, Inc. asked for an update on the status of payment for the balance of \$2,000 owing on Gull Lake Sewer & Water Authority’s account. Ms. Dunkle was advised that the last item is the lighting and we’ve agreed to purchase, at our cost, three lamps to set in the corners that cast light upwards, then to test after dark to see if the conference room is sufficiently lit. Once we purchase the floor lamps and determine if they do the trick, we plan to pay the remaining \$2,000 as the other open items are minor.

Mike Sullivan-Gull Harbour Pointe Development Sewer Permit Requirements
Mike Sullivan was advised that the Authority Board at their January 20 meeting determined that no sewer permits will be issued for future homes until both 6” sewer extensions have been installed, inspected and approved, providing service to lots 2 + 3 and also to lots 4, 5 and 6. He was also reminded that sewer connection fees for each property will be due and payable at the time of permit issuance.

Jesse Shaver-Gull Lake Country Club Grinder Pump Line Frozen
Per our inspection of the grinder pump system installed in 2009 for the paddle-ball courts, we confirmed that the pump is working properly but suspect that the 1 ¼ inch pressure line has frozen somewhere under the parking lot. We offered some solutions and recommended they follow up with the installing contractor for his suggestions as we are not willing to accept full responsibility for his installation and repair costs at this time. Pierson noted that in the future, we will not allow private contractors to do

the installation without a sign-off from the owner, and perhaps any grinder line under a parking lot will need to be insulated.

NEW BUSINESS

CMOM-Collection System Requirements Pending / Self Assessment: On-Going
CMOM stands for “Capacity, Management, Operations, and Maintenance” and is a framework for municipalities to utilize widely-accepted wastewater industry practices to better manage sewer collection systems. Pierson explained that one of the goals of CMOM is to eliminate SSO (Sanitary Sewer Overflow) events. California has adopted CMOM and it has the potential to become a Michigan or national regulation in the future. Pierson has been utilizing the CMOM program checklist to evaluate GLSWA’s performance. Overall, he believes GLSWA is ahead of the curve, but the checklist has helped him to identify areas for improvement, such as implementing a work order system.

Unclaimed Property-State of MI Reporting Report to be Filed

Pierson and Richmond have reviewed GLSWA’s records and determined that GLSWA has no unclaimed property in its possession that has reached its legal dormancy according to the Uniform Unclaimed Property Act. Per the requirements of the February 7, 2011 Notice Regarding Recent Changes to the Unclaimed Property Act, GLSWA will complete and return the Attestation of Compliance with Unclaimed Property Reporting (Form 4305) stating that we have no unclaimed property to report.

Gentry-High Ground Water Table Issues 30th Street – Legal Action Pending?

Tennie Gentry of 7873 N. 30th Street in Richland Township asked GLSWA for information on historic water table levels. Pierson reviewed some of the information he provided to Mrs. Gentry with the Board. It showed that at the Eastern Hills location, the water level was 43.15 feet below land surface in 1987 and had fallen to 47.53 feet in 2008. After the significant rainfall we experienced in the fall of 2008, the water table had risen to 41.70 feet below land surface in 2010. Pierson explained that in his opinion the water problem the Gentry’s are experiencing is due to rising water tables and is not the result of the plat or public sewer being installed on 30th street. Pierson indicated the Gentry’s mentioned they are considering some type of legal action against the plat and that there is the potential GLSWA could be indirectly involved.

Draft 2011-2012 Budget Preliminary Review of Budget + Financial Forecast

Pierson reviewed a draft budget for FYE 2011-12, beginning April 1, 2011. This will be reviewed in more detail next month when it is presented for approval. In 2010-2011, we are currently projecting a surplus of user revenues over operations expenses of approximately 100,000. Pierson explained that when projecting ahead for 2011-12, our revenues are expected to decline based on lower Purge Meter and Industrial revenues -- resulting in a near break-even year. Monies from our repair and replacement fund may need to be transferred to implement needed repairs identified

during recent manhole/pipe inspections, rather than increase rates beginning April 1, 2011. Pierson noted the long-term financial projection had anticipated a rate increase being needed in 2012 or 2013.

PROJECT UPDATE:

Sump Pump Elimination Tracking

Additional Discussion

Pierson discussed his research into what other municipalities are doing to address illegal groundwater sump pump connections to the public sewer. As an example, he cited a sump pump amnesty program implemented by the City of Florence in Kentucky where they offered to pay a portion of the cost to fix the problem. Pierson reviewed updates to the B-dry list. Pierson and Brent Gould of Brent Gould Plumbing will be meeting with Mr. Light (4078 E. Gull Lake) to evaluate the status of his sump pump connection and make recommendations for any necessary changes. Brent Gould provided a cost estimate to disconnect the 6 sump pumps at the Crandell residence (9736 W. Gull Lake Dr.).

The Board discussed what policy and participation, if any, our office should have in ground water sump pump alterations to disconnect them from the public sewer. A motion was made by Light and seconded by Stoneburner to offer to pay 50% of the costs of alterations up to \$1,000-provided the disconnect is completed timely—including final inspection by our office and the right for occasional re-inspection in the future. **Motion carried; all ayes.** *Pierson to notify Mrs. Crandell of this policy.*

Manhole Inspection/Inflow/Infiltration

Preparing Summary of Work Tasks

225 manholes / 1224 (1130 GL + 94); not including 96 cleanouts + 34 air release. Pierson has summarized his findings and estimated the repair work to be done based on the manhole inspections to date. He is using this to prepare a summary of work tasks and estimates of cost with Tom Wheat -- to bid out the repair work in the spring/summer. Manhole checks will resume in the spring, 4/15/2011 +/-

Chemical Treatment of Forcemain

Reviewing Options to Avoid Chemical Cost

GLSWA is evaluating whether to continue with chemical treatment or to fight odor complaints one-by-one after determining whether the forcemain has been damaged after 28 years in service.

Office Remodel & Improvements

Budget Update: There has been no change from the last meeting.

The final payment to FCC in the amount of \$2,000 is still on hold pending resolution of the lighting issue.

Pierson is getting quotes for the purchase of an iron removal system.

Lift Station #42-Plugging Pumps Issue

New Pump/Converter Ordered

Pierson met with Cooper Township to review the possible options to fix the issue with the pumps plugging at Lift Station #42. Cooper Township approved the recommended option to upgrade one half of the station to three phase and purchase 1 new pump and

run it in the lead position at an estimated cost of \$7,500. The new pump and power converter have been ordered.

D Avenue West Project

Spring 2011-Village reimb. if no grant

If there is no grant or if the grant is rejected for this project, Richland Village will reimburse GLSWA \$6,000 in the spring of 2011. Engineer Wheat stated that there will not be a grant for the project at this time, but the project will be ready if there is an opportunity in the future. GLSWA will request reimbursement from the Village in May.

30th Street South Gravity Design

Easement Pursuit this Winter

OLD BUSINESS: ACTIVE

Comstock Township Sewer + Water

Update on Rates

Pierson attended a local rate seminar on sewer/water rate setting and reviewed with the Board a hypothetical model for the Gull Lake System if water meters were put on the wells of the 1000 homes on Gull Lake and other non-metered customers. He noted 50% of our service district is already connected to Kalamazoo, Parchment or Galesburg water. The scenario that most closely resembled the current revenue structure was that the quarterly base rate for a typical residential home (3/4 meter size) would be \$13.25 and the cost per unit would be \$4.01 per 1000 gallons. If 12,000 gallons were used in the quarter, the charge would be \$61.47 versus the cost today of \$65.00. Pierson expects to complete a preliminary review of information from Comstock to share at the next meeting.

Kalamazoo Regional Water + Wastewater Comm. Update

The Commission is moving forward on the rate and other issues.

Forcemain Treatment - \$10-15,000 annually

Under Review

GLSWA is evaluating whether to continue with chemical treatment or to fight odor complaints one-by-one after determining whether the ductile iron forcemain has been damaged by corrosion after 28 years in service.

IT Improvements / Upgrades

On-Hold

At the last meeting, Pierson presented a summary of the transaction fees to Upgrade our Utility Billing Software to allow for credit card by phone at the front desk, allow for auto-debit from customers accounts, allow for credit card payments over the internet through the Utility Billing software, allow for credit card walk-ins, and allow for email bills to be sent to customers who prefer this type of billing. The approximate annual cost to GLSWA at an estimated 20% participation rate is \$5,128. Pierson reported that he had checked with Attorney Ken Sparks and found that it is legal for municipalities to absorb credit card fees. Attorney Sparks provided a sample resolution to accomplish this. Other alternatives are being investigated. This item will be discussed at the next Board meeting

Authority Retirement Plan-MERS Option Overview & Policy Goal Discussion
 Pierson and staff are investigating potential alternatives to improve the retirement package for employees. Pierson stated that MERS offered a defined contribution plan with lower fees than our current plan. This item will be discussed at the next Board meeting along with the budget.

Easement for Jim Newman-above EGL Drive Letter to Hinchman
 A letter was sent to Mr. & Mrs. Theodore Hinchman requesting an easement to be able to make the sewer connection to Mr. Newman's home.

Purchase of Consumers Energy Property Request-Authorization to Pursue
 Pierson contacted Sandra Wigent of Consumers Energy about potentially purchasing Consumers Energy property lying adjacent to M-89, providing Consumer's (and METC) keep an easement over the entire property for electric and gas transmission. The Board authorized Pierson to pursue this to determine if Consumers Energy is interested dependent upon purchase price. Pierson received a response that it is unlikely that GLSWA can purchase this property as METC has first refusal rights. *Pierson will continue discussions with Consumers about the possibility of eliminating the billboard on the property as a minimum.*

OLD BUSINESS: STATUS UNCHANGED

Tammy England No Change in Status

Water Connection Fee Issues Ongoing Project
 On-going project to review and establish appropriate fees in Township/Village. 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). Also, need to establish adequate connection fees to provide for the replacement of watermain in the future.

Charleston Township Sewer Ongoing Project-reviewing existing list of customers

Easement Releases Ongoing Project-coordinate w/ scanning files to GIS.

Personnel Policy Update Tentative Changes for 2011
 Pierson to review retirement plan / vacation policy / hours of operation and determine if changes are needed.

Sewer Connection Fee Issues No response; \$8,900 Eng Fees not Paid
 There has been no response from Attorney Ken Sparks letter to Attorney Swenarton as of yet. In addition, Rosenberger still owes GLSWA engineering fees of approximately \$8,900.

Manholes on Pattiwood + Macywood Completed-Invoices Sent
Tustin's lowered the manholes on Pattiwood at a cost of \$1,800. In addition, Tustin's repaired two manholes in the Village bike path along M-43: South of McDonald's (at a cost of \$675) and North of McDonald's (at a cost of \$735). The Village has paid for ½ of the total cost. Pierson sent a letter and invoice to Dave Woodhouse requesting reimbursement of the Pattiwood manhole repair cost. There has been no response.

FINANCIAL REVIEW/ PAY BILLS

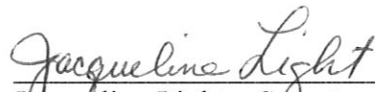
A motion was made by Stoneburner and seconded by Kahler to file the financial reports as presented, approve the standard bills paid, and pay the Prein & Newhof bill.

Motion carried; all ayes.

CLOSING COMMENTS

ADJOURN. NEXT MEETING THURSDAY MARCH 31, 2011 at 1:00 p.m.
Chairman Bither adjourned the meeting at 2:10 p.m.

Submitted for approval



Jacqueline Light – Secretary