

Gull Lake Sewer & Water Authority

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MINUTES OF THE JUNE 25, 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, and Jim Stoneburner. Wes Kahler arrived at 1:06. All present. Also present were Director Rich Pierson, Office Manager Anne Richmond, and Engineer Tom Wheat. Attorney Ken Sparks participated via the telephone for a portion of the meeting.

REVIEW AND SET THE AGENDA: Stoneburner made the motion to accept the agenda as amended to add the MML Election Resolution under New Business. Motion was seconded by Light. **Motion carried; all ayes.**

MINUTES OF THE MAY 28, 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): None present.

CORRESPONDENCE:

To: Rosenberger Amounts Due

Mr. Rosenberger was informed that the deadline for paying us a reduced amount of \$6,400 for outstanding invoice #509 & #548 had expired and the total now owed, including late fees, is \$7,287.06. An additional \$1,040.23 is owed for Invoice #563, due by June 14, 2009. In response, Mr. Rosenberger sent a letter requesting a meeting to discuss the issue of engineering review fees and indirect fees.

To: Glen Avis – E-mail Flow Meter Issue

Glen Avis was informed that it was going to cost an additional \$2,000 for the appropriate flume to measure low flow. Augusta agreed to cancel the flowmeter project and this part was not ordered. See more discussion below under Old Business, “Augusta Flow Meter”.

To: Angela Aguirre Harleysville Insurance
Harleysville Insurance is going to discontinue the long-term disability coverage for GLSWA's full time employees as of July 1, 2009. A letter was written to Ms. Angela Aguirre to formally request an extension or reconsideration by Harleysville in this matter. A motion was made by Stoneburner and seconded by Light, effective July 1,

2009, to not offer life insurance and disability insurance benefits as currently defined in GLSWA's personnel policy until this matter is resolved. **Motion carried; all ayes.**

To: Alberto Forero City Water Pressure
At the informational meeting for Cottonwood / DE Avenue Public Sewer, homeowners complained about their water pressure and volume. Alberto Forero, the City of Kalamazoo Engineer, was asked to provide a written response as to what pressures/volumes are in that area, fire flows, etc. and also, if deficient, what the proposed remedies are. Pierson also mentioned this at the Regional Commission Meeting and sent an email follow-up reminder. There has been no response.

To: Bruce Merchant Inflow / Infiltration
Bruce Merchant was asked to verify that 'master' - metered municipal customers are not charged for Inflow/Infiltration volumes and costs that occur downstream of their meters. He responded that master-metered customers pay for approximately 10% of the cost of inflow and infiltration downstream of the meter.

To: ITC – Transmission Tower 40' Setback
In response to our recent inquiry regarding our proposed building addition within the area of an easement owned by Michigan Electric Transmission Company, a subsidiary of ITC Holdings Corp., we were provided a written communication of the "no restriction" interpretation of their existing easement across our property. METC would not consider our building addition to be an unreasonable interference with the exercise of METC's easement rights, provided the addition does not come within forty feet of METC's tower, no construction equipment is permitted under METC's lines, the addition will not create a National Electric Safety Code clearance violation and METC will have access to its easement area.

To: Vaccaro Mowing 2009
Bob Vaccaro was asked for a quote to mow the Office and Lift Station #20 for the upcoming season. To save cost, GLSWA will mow the rest of the lift stations.

To: Kent Request for Subordination
In August of 2008, the Kent's had signed a contract to take advantage of the existing Sewer Connection Fee rate with the stipulation that they agree to make payments and connect by November 1, 2010. Recently, they found themselves in the position that the lien GLSWA filed on their property as a result of this contract was preventing them from a necessary refinance. The contract was negated at their request and the existing lien was released. They had asked the Authority Board to consider allowing the subordination of the lien. The Authority Board referred the matter to our attorney who determined that GLSWA is unable to reinstate the former contract, as that would be contrary to the existing ordinance and would, in effect, have the Authority subordinating the lien at the former Connection Fee rate which, in our attorney's opinion, we are not able to do. A letter was sent to the Kents informing them of this

decision and refunding their contract down payment of \$484 less the \$14 required to file the release of the lien.

To: Pfizer Trend or anomaly

After a record “low” flow in January, the Pfizer Farms on Gull Road has had record “highs” the last two months. Mary Aldrich of Pfizer was asked to contact us if there are any anomalies or future trends in this regard. Mary responded that they suspect a meter problem, but have yet to identify it.

To: Wigent (Consumers Energy) Office drive easement

An easement is required from Consumers Energy as our proposed driveway improvements to the west cross over a small portion of Consumers Energy property. As part of our “offer of just compensation” for the new request we were planning to “give up” (quit claim) the easement for our existing driveway; however, as we researched what appears to be the existing easement Ms. Wigent forwarded to us, we find it does not apply to our property. This may require a “temporary” easement for removal and closure of the existing drive. A landscape, mowing, and fencing easement or license over the rest of Consumers Property as it abuts our property will also be requested.

To: David Hill Escandon Property

Pursuant to a request by Mr. David Hill, Attorney for Chemical Bank, GLSWA provided the pay-off amount for the Escandon Property both with and without an expected County revolving tax fund payment.

To: Weston Gate at Lift Station #7 (Country Club)

Mr. Weston (9708 West Gull Lake Drive) is having difficulty with unauthorized car parking and persons using our ingress-egress drive for their personal use and has asked for an entrance gate of some sort over the access drive. We informed Mr. Weston that the ingress-egress drive is on Country Club property and would therefore require their permission. In addition, we indicated our preference is to not have a gate and suggested some alternatives to address the problem.

PROJECT UPDATE:

30th Street North

Final Payment to Balkema

Engineer Tom Wheat presented Payment Request #5, the final payment request, on the contract for the 30th Street Sanitary Sewer Extension project with Balkema Excavating, Inc. Light made the motion to approve payment to Balkema (Payment Request #5) in the amount of \$10,834.72. Motion was seconded by Kahler. **Motion carried; all ayes.**

The final project costs and settlement with Allen Edwin will be reviewed at a future meeting.

30th Street South

Quote to make “shovel ready” (design)

Rich Pierson had asked Engineer Tom Wheat whether he would want to offer the Authority a proposal (at a reduced cost) to design the gravity sewer for the 30th Street South project if his firm was low on work due to the economy. Wheat provided a quote of \$6,450 to take the base drawings of 30th Street which are nearing completion, and provide the detailed design and permitting necessary (MDEQ, KCRC) to be shovel ready. This could then be taken to a contractor. It does not include soil borings. *Pierson to further evaluate project needs and gain a better understanding of what is included in this quote before moving forward.*

AE Gilmore Farms Phase 2

On hold till 2010 (# permits down)

Gilmore Farms Phase 2 has been delayed until at least 2010. The number of permits received from Gilmore Farms to date is significantly lower as compared to the same time last year.

Cottonwood

No response as of yet from legal petition

NEW BUSINESS

Financial Forecast

Update

Pierson reported that there are some changes that need to be incorporated in the financial model and that this would be presented next month.

Escandon – Lien issue

Closed session for privileged letter

A motion was made by Light and seconded by Kahler to enter into closed session with Kahler, Light, Stoneburner, Bither, Pierson, Richmond, and Wheat present with Attorney Sparks on the telephone to review a confidential communication from the Authority Attorney. **Motion carried; Roll Call Vote; all ayes.** Closed session at 1:25 pm.

At 1:47 pm Chairman Bither declared the closed session adjourned.

Stoneburner made the motion to instruct Authority Attorney Ken Sparks to send the proposed letter to Mr. Thomas King. Motion was seconded by Light. **Motion carried; all ayes.** *Pierson to setup meeting with Attorney Rob Thall.*

Office Remodel

Update

Pierson informed the Board that GLSWA obtained site plan approval for the office remodel at the Ross Township Planning Commission meeting held on June 22, 2009. The next step would be to get drawings and detailed specifications for bids at an estimated cost of \$12,000. The Board will decide whether to proceed with this step after reviewing the financial forecast at the next meeting.

Inflow / Infiltration

Analysis and review discussion

Pierson informed the Board that GLSWA is experiencing excessive inflow/infiltration (25%). If we could cut 50% of this flow by inspection and repair, we could save \$28,000 per year. A physical asset evaluation (pump station + manhole inspection) is planned and professional pipe videotaping to review each pipe segment for inflow + infiltration is being considered to address this problem. *Pierson and Wheat to develop plan to address inflow/infiltration.*

MML Election Resolution

A motion was made by Light and seconded by Kahler to elect Larry Neilsen to another 2-yr. term as a trustee on the Michigan Municipal League Worker's Compensation Fund. **Motion carried; all ayes.**

OLD BUSINESS

GIS Update

Summary sheet

Pierson provided a summary of his visit to Northstar Communities Service District (NCSD), an overview of issues reviewed, and a summary of what has been learned so far. GLSWA has made a substantial investment in GIS and further expenditures will be necessary to take full advantage of its capabilities. We have begun the process of evaluating our GIS information and control systems to maximize our use of GIS + its ancillary tools and will have further updates on our progress.

Kent Request

Not able to subordinate

See discussion above in Correspondence, "Kent".

Charleston Township Sewer

In Process

Augusta Flow Meter

Update / Action

A flowmeter had been ordered to more accurately measure flow from Brooklodge. GLSWA and Augusta had agreed to split the costs. We recently found out that Brooklodge is closing and Tom Wheat stated it is likely that the flowmeter will not accurately read flow from only 10 homes. Pierson notified Augusta that the Board had directed him to discontinue our participation in the Hesco meter installation. Augusta agreed to cancel the installation after learning it would cost an additional \$2,000 for the appropriate flume to measure low flow. \$6,802 has been incurred for non-restockable parts for the flowmeter. An additional amount may be owed for engineering work performed to date. A motion was made by Stoneburner and seconded by Light to reimburse Augusta for 50% of the \$6,802 cost incurred to date and incidental engineering charges. **Motion carried; all ayes.** *Pierson to determine where parts will be stored and process for accessing parts if we have a future use for the flowmeter.*

Water Connection Fee

In Process

Waiting finalization of water contract with the City of Kalamazoo.

Easement Releases Not yet completed
In process for Kalamazoo and Barry County

FINANCIAL REVIEW/ PAY BILLS

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

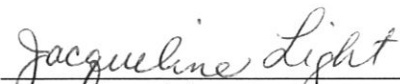
Motion carried; all ayes.

CLOSING COMMENTS

The Board declined financial participation in a Sherman Lake YMCA charitable event.
Debra Newhouse is the new treasurer in Prairieville Township.

ADJOURN. NEXT MEETING JULY 28, 2009 at 1:00 p.m. unless otherwise notified:
Chairman Bither adjourned the meeting at 2:34 p.m.

Submitted for approval



Jacqueline Light – Secretary