

Gull Lake Sewer & Water Authority

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MINUTES OF THE JULY 15, 2020 REGULAR BOARD MEETING

Authority Board Meeting

3:30 P.M.

CALL TO ORDER/ ROLL CALL: Chairperson Harma called the meeting to order at 3:32 P.M. Commissioners present were Lysanne Harma, Rob Baker, Jimmy Stoneburner and Wes Kahler. Also present were Executive Director John Crumb, Executive Assistant Anne Richmond, Engineer Paul Schram, Attorney Rob Thall, and UIS Scada Inc. CFO Chris Knight. Access to the meeting was available via Zoom.

REVIEW AND SET THE AGENDA: Stoneburner made the motion to set the Agenda as presented. Motion was seconded by Kahler. **Roll Call Vote: Kahler-aye; Baker-aye; Harma-aye; Stoneburner-aye; Motion carried.**

HEAR THOSE PRESENT (Non-Agenda Items): Nothing presented.

CONSENT AGENDA: The Board discussed the 2013 GMC Pick-up Intent to Purchase Confirmation, the Charleston Township Inquiry on Status of Agreement with GLSWA, and the 2897 Arctic Ave Request for Discount on Full Year Payment. A motion was made by Baker and seconded by Kahler to approve the consent agenda. **Roll Call Vote: Kahler-aye; Baker-aye; Harma-aye; Stoneburner-aye; Motion carried.**

NEW BUSINESS

Pictometry High Resolution Aerial Flight Motion
GLSWA has asked Kalamazoo County for the cost of the Pictometry flight at the 3” resolution for the GLSWA service area sectors. Kalamazoo County has not yet responded. A motion was made by Baker and seconded by Stoneburner to table the Pictometry High Resolution Aerial Flight discussion until the cost is available. **Roll Call Vote: Kahler-aye; Baker-aye; Harma-aye; Stoneburner-aye; Motion carried.**

SCADA Installment Purchase Agreement Finance Documents Motion
Attorney Thall reviewed the SCADA Installment Purchase Agreement Finance Documents. A motion was made by Baker and seconded by Stoneburner to approve

the Resolution Approving Installment Purchase Agreement for Construction of SCADA Communication System. **Roll Call Vote: Kahler-aye; Baker-aye; Harma-aye; Stoneburner-aye; Motion carried.** This resolution authorizes the Executive Director to execute any additional documents as necessary to effectuate the closing of the Installment Purchase Agreement including all required security documents. A mortgage on GLSWA's building is necessary to secure financing with Highpoint Community Bank and a title search needs to be completed before this can be finalized. Once this is completed, the remaining SCADA Installment Purchase Agreement Finance Documents can be signed.

UIS SCADA Project Contract Motion
 UIS Scada requires a Notice of Commencement for the SCADA project by 7/15/2020 to meet the 12/31/20 deadline for completion. A motion was made by Kahler and seconded by Baker to execute the 2020 SCADA System Upgrade Project with UIS. **Roll Call Vote: Kahler-aye; Baker-aye; Harma-aye; Stoneburner-aye; Motion carried.**

MTECH Quote for Replacement Hydraulic Cleaning/Combination Truck Motion
 Crumb recommended a replacement for GLSWA's Hydraulic Cleaning/Combination Truck at a cost of \$468,920. He reviewed the features of the proposed Hydraulic Cleaning/Combination Truck with the Board. A motion was made by Baker and seconded by Kahler to approve the MTECH Quote of \$468,920 for the new Hydraulic Cleaning/Combination Truck. **Roll Call Vote: Kahler-aye; Baker-aye; Stoneburner-aye; Harma-nay; Motion carried.**

Republic First National Financing Rates and Terms Motion
 Crumb reviewed the terms of a quote from Republic First National Bank to finance the purchase of the Hydraulic Cleaning/Combination Truck. A motion was made by Kahler and seconded by Baker to approve financing of the Hydraulic Cleaning/Combination Truck for 3 years at 2.96% subject to review of the contract by Attorney Thall. **Roll Call Vote: Kahler-aye; Baker-aye; Harma-aye; Stoneburner-aye; Motion carried.**

OLD BUSINESS: On Going

Crumb reviewed the status of the items on the Master List. He will be focusing on the Charleston Township Agreement with Attorney Thall.

CLOSING COMMENTS

Baker thanked GLSWA for the excellent customer service in assisting with a sewer backup at Ross Township Park.

Baker informed the Board that Ross Township will be holding a meeting on Tuesday, July 21 and will be discussing a special assessment for Sherman Lake. Executive Director Crumb will be giving a presentation on Sherman Lake sewer connections.

Harma thanked everyone for their hard work and dedication on the SCADA system.

Engineer Schram reported that MEDC small business grants are now available.

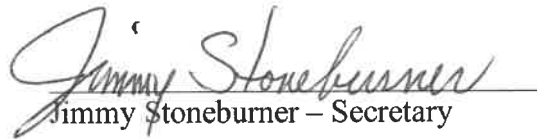
ADJOURN.

Chairperson Harma adjourned the meeting at 4:52 P.M.

NEXT MEETING:

WEDNESDAY, AUGUST 19, 2020 3:30 P.M.

Submitted for approval


Jimmy Stoneburner – Secretary

GULL LAKE SEWER AND WATER AUTHORITY

**RESOLUTION APPROVING INSTALLMENT PURCHASE AGREEMENT
FOR CONSTRUCTION OF SCADA COMMUNICATION SYSTEM**

JULY 15, 2020

At a regular meeting of Gull Lake Sewer & Water Authority Board, held on July 15, 2020, at 7722 N. 37th St. Richland, MI 49083, which meeting was held in accordance with the Open Meetings Act of the State of Michigan, the following preamble and resolution were offered by Board Member BAKER, and supported by Board Member Stoneburner:

WHEREAS, Gull Lake Sewer and Water Authority ("Authority") determines it to be necessary for public purposes to construct a new SCADA Communications System for the better operation of the Authority's public sewer system; and,

WHEREAS, under the Authority Articles of Incorporation, the Authority Board is authorized to enter into any contract or agreement for the purchase of property for public purposes to be paid for in installments; and,

WHEREAS, the Authority Board has entered into negotiations with UIS SCADA, Inc. (Contractor) for the construction of said new SCADA Communication System for a purchase price of \$988,495, as set forth in Exhibit A, of which \$800,000 will be paid through an Installment Purchase Agreement, subject to any change orders approved by the Authority; and,

WHEREAS, the Authority Board has determined that such acquisition and purchase price is reasonable and in the best interest of the Authority for the public benefit; and,

WHEREAS, funds have been pledged by the Authority for such acquisition except for the sum of \$800,000 of such purchase price which is proposed to be paid to the Contractor in installment payments over a 7 year period, together with interest at 2.02 percent per annum on the unpaid balance; and,

WHEREAS, the Authority Board has reviewed a proposed Installment Purchase Agreement with the Contractor for the acquisition of said SCADA Communication System to be constructed in accordance with plans and specifications which appear reasonable and proper to accomplish such installment purchase;

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The Installment Purchase Agreement attached hereto with UIS SCADA, Inc. is hereby approved and the Executive Director is hereby authorized and directed to execute the same on behalf of the Authority.
2. The useful life of the SCADA Communications System is hereby determined to be at least 10 years.

3. The Executive Director is further hereby authorized and directed to execute any additional documents as shall be necessary to effectuate the closing of the Installment Purchase Agreement including all required security documents.
4. The Authority hereby agrees to include in its budget for each year during the period of the within Installment Purchase Agreement a sum sufficient to pay the principal and interest coming due under said Installment Purchase Agreement before the beginning of each fiscal year pertinent to such installment payments.
5. The Authority hereby designates its obligations under the Agreement as "qualified tax exempt obligations" for purposes of the deduction of interest due under said Installment Purchase Agreement from income tax liability pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
6. The Authority Board covenants that to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest component of the payments due under the aforesaid Installment Purchase Agreement from adjusted gross income for general federal income tax purposes under the aforesaid Internal Revenue Code including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of proceeds of the Agreement, and to prevent such proceeds from being or becoming "private activity bonds" as the term is used in Section 141 of said Internal Revenue Code.
7. The acquisition of the aforesaid SCADA Communications System and the approval of the Installment Purchase Agreement therefore are hereby found and declared to be for a valid public purpose and in the best interest of the health and welfare of the utility customers within its jurisdiction.
8. All resolutions or parts of resolutions insofar as they conflict with the provisions of the within Resolution are hereby rescinded to the extent of any such conflict.

Upon roll call vote the following voted "aye:"

HARMA, BAKER, Kaylor & Stoneburner

The following voted "nay:"

NONE

The Supervisor declared the Resolution duly adopted.

**GULL LAKE SEWER AND WATER
AUTHORITY**



John Crumb, Executive Director

CERTIFICATION

The undersigned certifies that the foregoing Resolution is a true and complete copy of a Resolution adopted by the Authority Board of the Gull Lake Sewer & Water Authority, at a regular meeting of said Board held on July 15, 2020; that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act of Michigan; that a quorum of the Authority Board members was present; and that the foregoing Resolution is a part of the official minutes of the meeting held on said date.

