

# Gull Lake Sewer & Water Authority

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## MINUTES OF THE AUGUST 22, 2018 REGULAR BOARD MEETING

Authority Board Meeting

1:00 P.M.

Noon Luncheon: A noon luncheon was held with the Board honoring Rich Pierson, prior Executive Director, who has retired after 33 years!

**CALL TO ORDER/ ROLL CALL:** Chairman Stoneburner called the meeting to order at 1:00 P.M. Commissioners present were Jimmy Stoneburner, Wes Kahler, Lysanne Harma and Gary Moore. None absent. Also present were Executive Director John Crumb, Deputy Director Rich Pierson, Executive Assistant Anne Richmond, Charleston Township Supervisor Jerry VanderRoest, and Engineer Alan Smaka. Auditors Robert Loftus and Monica Loegel were present to review the 2018 FYE audit with the Board.

**REVIEW AND SET THE AGENDA:** Harma made the motion to accept the Agenda as presented. Motion was seconded by Kahler. **Motion carried; all ayes.**

**MINUTES OF THE JULY 25, 2018 REGULAR MEETING:** A motion was made by Harma and seconded by Moore to accept the regular meeting minutes of July 25, 2018 as presented. **Motion carried; all ayes.**

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

Robert Loftus and Monica Loegel from Seber Tans, PLC were present to review the results of the GLSWA audit for FYE March 31, 2018. Auditor Loftus reviewed a summary of key GLSWA financial data in tabular and graphical form. GLSWA is financially strong and has significant assets relative to liabilities. GLSWA has \$0 bond debt. The Authority's total net assets decreased by \$375,000 or 2.5% primarily due to the excess of annual depreciation expense not being offset by capital asset additions. Revenue, excluding SAW Grant, increased by \$34,000 or 2.6%. The Authority's operating revenue is stable with User Fees representing 75% of total revenue, however, variation in industrial and purge flow revenue will impact the Authority's operating revenue. Expenses decreased by \$15,000 or 0.8% primarily due to less SAW (asset management) expenditures. Compensation, Treatment Charges, and Depreciation make up approximately 83% of GLSWA's expenses. Absent depreciation, the Authority had a surplus of operating revenue over expenses of approximately \$67,000 in 2018. This compares to a surplus of operating revenue over expenses of approximately \$168,000 in 2017. Operations used \$3,000 of cash in FYE

2018. The format of the Cash Flow Statement presentation was modified to include designated cash and investments. There were no management concerns to report. Mr. Loftus recommended that the Authority Board Members continue their diligence in reviewing key financial reports as separation of duties is limited due to the small size of the Authority's office staff. Auditor Loftus commended Pierson for his openness and transparency and also for leaving the Authority in such a strong financial position. Harma made the motion to approve the draft audit as presented and authorize Seber Tans, PLC to file the audit with the State of Michigan as required. Motion was seconded by Kahler. **Motion carried; all ayes.** The Board thanked Robert and Monica for their work.

#### **CORRESPONDENCE:**

3019 E G Avenue                      Inquiry on Metered Billing  
GLSWA received a customer inquiry on the timeline for metered billing.

11732 E DE Ave                      Sewer Connection Fee through Official Payments  
GLSWA worked with a customer so that they could pay their Connection Fee through Official Payments with the understanding that the customer would need to pay back the convenience fees that GLSWA absorbed as part of their first user bill.

9411 Fraulin Drive                      Letter Requesting Review of Guest House  
The Authority sent a letter requesting to inspect the Guest House at 9411 Fraulin Drive to verify that it is vacant and no water is being used.

8892 N. 32<sup>nd</sup> St                      Letter Requiring Repair to Cleanout  
Field Inspector Quick noticed that a cleanout was missing from the private six inch sewer line on the property. GLSWA sent a letter informing the owner that a cleanout needed to be installed within 30 days.

Gull Lake High School                      Participation Request for Classroom Project/Lesson  
Crumb received a request to participate in a Project/Lesson at Gull Lake High School regarding the importance of clean water, how wastewater is disposed of and how water is tested. Crumb indicated his willingness to participate.

Gull Lake Country Club                      Request for Site Review of New Grille Room  
Crumb reviewed the site plan for the new grille room at the Gull Lake Country Club and provided comment on the sanitary sewer connection to the Richland Township Planning Commission.

8212 Pattiwood Ln                      Inquiry on Need for Water Testing  
A customer had been contacted by a water testing company and called GLSWA to ask if it was necessary to have her water tested. We informed her that since she had water from the City of Kalamazoo, it was not necessary to have her water tested.

34<sup>th</sup> St PPP Site                      Expansion of Investigation of Private Wells  
Crumb provided an update on the status of PFAS at the 34<sup>th</sup> St. PPP Site and reviewed the expansion of the investigation of private wells.

Pierson noted that as the likelihood of public water extensions from Kalamazoo into Richland and into Ross Township increase, the Authority, as Agent for the townships, has and will continue to insist that the Kalamazoo City water extensions be administered, operated and maintained by the Authority (as a wholesale water purchaser from Kalamazoo), rather than have dual operating agents in the Gull Lake (and Richland) districts. Pierson also noted that the above sentiment had and will continue to be relayed to the City of Kalamazoo on behalf of the Authority/Townships as he continues to be involved in the Regional Negotiations on behalf of GLSWA and all Kalamazoo Townships.

Pierson left the meeting at 2 pm to attend the Open House in the new pole barn.

## **NEW BUSINESS / PROJECTS UPDATE**

Mpower Invoice                      Deny Payment on Invoice 3337 for Support  
Crumb recommended denying payment for Invoice 3337 submitted by MPower for time spent fixing Integrator. Our service agreement with MPower states Mpower will “troubleshoot any and all software errors and operational issues; if the issues require a fix or update to the software, there will not be a charge”. It is our understanding that Coldfusion was not uninstalled properly resulting in the issues with Integrator. GLSWA believes if the Mpower tech had personally uninstalled Coldfusion or explained the need to uninstall Coldfusion in a specific way to the I.T. Right Technician, the Integrator problems could have been avoided. A motion was made by Kahler to deny payment for Mpower Invoice 3337. Motion was seconded by Harma. **Motion carried; all ayes.** *Crumb to contact Jason Brown of Mpower and inform him of the Board’s decision.*

Certify Delinquent User Bills                      Authorize Certification to the Tax Roll  
A list of delinquent sewer use accounts for the annual certification to the local unit tax rolls was provided to the Board members for their review. As payments are made, GLSWA removes the account from the list. Moore made a motion to approve the annual delinquent certification list as submitted on August 22, 2018. Motion was seconded by Kahler. **Motion carried; all ayes.** *The final delinquent sewer certification list will be sent to the Township Treasurers at the end of October to be put on the tax roll.*

Village of Augusta/Ross Twp.                      Preliminary Estimates too High to Extend Sewer  
The preliminary estimate to extend 8” sewer from the existing manhole at the Village of Augusta limits to serve Ross Township residences along East Augusta Drive at a cost of \$48,000 (\$24,000 per parcel) was not realistic. The estimate for an alternative design using a cleanout and a wye that service leads would connect to is \$32,000

(\$8,000 per parcel). Due to the immediate need for one of the properties to connect, Crumb recommended moving forward with the installation for the alternative design, setting a connection fee of \$8,000, and not back charging the parcels if a future project is ever installed up Augusta Drive and assessed a greater amount. A motion was made by Moore to approve moving forward with the installation and setting a connection fee of \$8,000 per parcel. Motion was seconded by Harma. **Motion carried; all ayes.**  
*Crumb to advise WAI to move forward with the project and update Jeff Heppler on the status.*

Augusta Sewer Flow Thru Agmt                      Approved but Project Never Constructed  
 Pierson and Crumb to draft new flow through agreement to review with Rob Thall.  
 Charleston Township Supervisor Jerry VanderRoest indicated that a separate agreement is desired for Charleston Township.

Commercial Review    Update Commercial Account REU with Water Meter Data  
 Parchment's current water issue plays a role in finishing the commercial review.

Indian / Pickerel O&M Proposal            In Draft Form  
 Crumb to draft for review with Rob Thall and then Board review.

- Projects-Miscellaneous            2017-2018 Various Projects and On-Going Work
- Gull Lake Area Water Feasibility Study – WAI Status Update: Engineer Smaka reviewed a Project Alternatives Matrix that showed 5 potential options. The next step is to review these 5 options as they pertain to current and future needs while maintaining a focus on the ever evolving PFOS concern with private wells in the Richland and Gull Lake areas. A cost analysis of each proposal will be presented at the next board meeting to provide direction in selecting the appropriate project while keeping in mind the desire to enter into a bulk rate customer status with the City of Kalamazoo. Upon selection of a specific proposal, Executive Director Crumb will then assist WAI in moving the proposal forward through a community and customer based educational plan to support a public water system around Gull Lake.
  - Gilmore Car Museum Site Evaluation-Excel Engineering Design to be Reviewed
  - Pole Barn-Occupancy granted; New Gas Service; Change Orders
  - Riverview-Keyes Drive ++: Meeting After Labor Day
  - Gilmore Farms-Water Main Construction is Required for the Next Phase
  - Ross Township Road Project coordination-“Chuck” Hole Complaint

Work Orders over \$750                      Manager Plus Work Order System  
 Crumb reviewed the following work orders:  
 WO #137: 4872 EGLD MH Repair - \$3,021.00  
 WO #138: PS #20 Valve Repair - \$10,535  
 WO #141: 1168 Burlington Dr Wye Repair - \$3,497.50  
 WO #208: Last Valve Pit Repair (example pictures)



**OLD BUSINESS: ACTIVE (no change in status unless red)**

New Crane Truck	On Order
11657 E DE Ave	Awaiting Deed and Signatures for Easement Documentation
Cooper Township Asset Mgmt	Crumb to write up AMP Report
Charleston Township AMP	Andrews Estates and Transitional Billing Plan
Galesburg Pipe Under M-96	Letter sent for review to WAI and P&N
Engel (Spruce Lane Apts)	Pierson and Crumb to set up meeting with Mr. Engel
Little Long Lake Sewer Ext	Pierson to pursue easement along road for sewer ext
McDonald Street Easement	Contractor unavailable; GLSWA to install in Sept.
Testing of Grinder Pump Lines	Letter for Health Department to be submitted
Ordinance-Metered Billing	Discussing Challenges & Logistics
Gull Lake Condos Easement	To Be Prepared and Submitted
(3) Repairs for 2018 Season	WO #137; WO #138; WO #141
DEQ-Purge Well Discharge	Filter by 7/31/2018. Agreement attained w/Kalamazoo
Ordinance Revisions	Ordinance revisions for all municipalities (on-going review)
Richland Water Conn Fees	Review and Make Recommendation
30 <sup>th</sup> Street/Cottonwood	Project in the works
9638 WGLD-Ritz	Project not ready to move forward this fall
Gull Lake Ministries	Preliminary calculation shows 15-25 "credits"-if parcels combined; JC + RP to review with Rob Thall and make recommendation.

**OLD BUSINESS: INACTIVE (see Attachment A).** The Board acknowledged receipt of the Old Business / Inactive list.

**FINANCIAL REPORT**

Financial Report / Bills Paid + Payable / Engineering Billing

A motion was made by Harma and seconded by Moore to file the financial reports as presented and approve the standard bills paid through July 31, 2018. **Motion carried; all ayes.**

**CLOSING COMMENTS**

Charleston Township Supervisor Jerry VanderRoest informed the Board that RJT Construction had been selected to install the pressure sewer district on East Michigan Avenue. A pre-construction meeting will be held on Monday, August 27. In addition, Jerry informed the Board that the buyer is moving forward with the purchase of Andrews Estates.

Crumb reminded everyone of the Retirement Open House for Rich Pierson from 2 – 5 in the Pole Barn.

**ADJOURN.**

Chairman Stoneburner adjourned the meeting at 2:37 p.m.

NEXT MEETING:

WEDNESDAY, SEPTEMBER 26, 2018, at 5:30 P.M.

Submitted for approval

  
\_\_\_\_\_  
Lysanne Harma – Secretary

## Attachment A: Old Business Items-

OLD BUSINESS ITEMS (Miscellaneous projects / items carried over) / No change in status unless Red

8/22/2018

No.	Item	Status
1	DEQ Purge Well discharge Out for signatures. Currently with City of Kalamazoo	: Wells turned off from 6/21/18 thru 7/14/18 ; New Agmt in place to address P-OS 7/31/2018; : Overall revenues for Authority FYE 2018 will likely be reduced 8% (\$100,000 +/-)
2	Rob Thall - Property Acquisition/Easements RP + TW met to review - RP to prepare	: 2-Properties: Consumers / Gull Lake Condos + Consumers at Auth offices : DEQ construction permit obtained; CMS paperwork to be initiated - Intent to acquire easement.
3	Gull Lake Authority Property Development Plan for June out-for-bid	: Pierson to meet with Harma + Dykstra to make recommendation to Board on future Pole Barn / Office area expansion needs: rent space again winter 2017-18 if needed
4	Gull Lake Ministries Reminded GLM of the need to consolidate	: RP to do review of their "non-single family" accounts (re-rate large multi-room homes) : Legal Opinion needed re: Parcel consolidation
5	Galesburg - Comstock Interceptor Person to write letter	: Within main agenda : Postponed this work - anticipate new Regional Agmt in 2018 will resolve this: Pipe Repair needed
6	Charleston Township Sewer Transitional prep meeting 8/7/2018	: Pierson is preparing documents and costs analytics to present to GLSWA + Charleston for Charleston to have GLSWA operate, maintain and administer the sewer system in Charleston.
7	1980-1990 Easement Releases Continue to work on these one-by-one: 2 year window	: On-going filing / FileBound project, accumulating all easements under 1 file, then having the County "acknowledge" and "release" them to us (as they are in the name of the County currently).
8	Village of Richland Contract Proposed final Contract signed by Parties 3/12/2018	: Contract drafted. To be reviewed and forwarded to Village for their January meeting Emailed D. Greve suggesting meeting within on Village Richland sewer/water issues
9	Sherman Lake Easement 'clean-up / verify' SAW eligible - Anne, Chen, Rich + Andrew on going	: Pierson to review easements and check for accuracy - file in GIS system SAW extension requested to do this work - Extension denied. Work continues on these
10	Kalamazoo Regional W / WW Commission Pierson discussed with legal counsel the Richland/loss water issue	: GLSWA is party to a lawsuit (now withdrawn) regarding rates and charges New water and wastewater agreements are being worked on the the Commission
11	Air Release Valve Rebuilding. Updated:	: An SSO incident in July 2013 was caused by a failed galvanized nipple on an air release valve : We have rebuilt 8 of these - 2 additional to go
12	37th Street Grinder lines tapped into D Iron These will be rebuilt when we work on L541 forcemain	: Corrosion issue with copper corrosion. : We have rebuilt 6 of these - 4 additional in Charleston Township to be rebuilt
13	30th Street Gravity Sewer - Future RP briefed Richland Twp on this potential project	: If Allen Edwin completes Phases III + IV of Gilmore Farms, new pipeline to be constructed : This will require 7 easements prior to starting the project
14	Water Connection Fees (Village / Township) RP beginning to work on these - thanks Anne.	: Short-side / Long-side tap averaging should be in place for water main taps : As well as new increased Connection Fees for water hook-ups as \$\$ will be needed
15	Commercial Review / Apartment / Metered Project scheduled for implementation throughout 2017	: Pierson is proposing to move from 200 gal/day per unit to 150 gal/day per unit, simultaneously while having metered customers have a ready-to-serve charge + a commodity charge.
16	Miscellaneous Customer Fees	: Sump pump violations : Pierson to pursue with certified mail and Misc Customer Fee procedure
17	Emergency Fuel Acquisition AG has taken this over: Will need reauthorization	: Authorized last year but never purchased due to space concerns / reconfiguration : Crumb to follow up in 2018
18	Manhole raising Project	Info: 160+ inaccessible; 83+ in yards; 73+ in road; Work continues: 50 in yards + 11 in road done: Preparing estimates for 2017 seasonal repairs
19	Articles of Incorporation - to be reworked To be ratified in March + published	: Requires ratification by each municipal board.