

Gull Lake Sewer & Water Authority

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MINUTES OF THE AUGUST 27, 2015 REGULAR BOARD MEETING

Authority Board Meeting

1:00 P.M.

CALL TO ORDER/ ROLL CALL: Chairman Stoneburner called the meeting to order at 1:00 P.M. Commissioners present were Jimmy Stoneburner, Wes Kahler, Paul Dykstra and Lysanne Harma. None absent. Also present were Executive Director Rich Pierson, Executive Assistant Anne Richmond, and Engineer Tom Wheat. Robert Loftus and Monica Loegel from Seber Tans, PLC were present to review the audit for the Board.

REVIEW AND SET THE AGENDA: Pierson added Delinquent Account Certification and Concrete Repair to New Business. Stoneburner made the motion to accept the Agenda as revised. Motion was seconded by Harma. **Motion carried; all ayes.**

MINUTES OF THE JULY 23, 2015 REGULAR MEETING: A motion was made by Kahler and seconded by Harma to accept the regular meeting minutes of July 23, 2015 as presented. **Motion carried; all ayes.**

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

CORRESPONDENCE:

Gilbert-12088 S. Sherman Lake Analysis of Sewer Availability
Mr. Gilbert asked if he needed to connect the new house that he is building at 12088 S. Sherman Lake to the Sherman Lake Public Sewer. He was advised that sewer is not available since the Authority does not have an easement over the private road between his house and the sewer and he is constructing his house greater than 200 feet away from the existing available public sewer pipe. If he wishes to connect, the Authority could pursue an easement over the roadway onto his property.

L. Harma-Sterling Hts. Sewer Paving Road?-Sewer Inquiry
In 2008, property owners were 70% against a price increase of \$13,000 for a grinder pump system and/or \$20,000 for a gravity system. Currently, an estimated cost for a grinder pump system would be in the range of \$15,000. The Authority could update the numbers for both options on request and hold an informational meeting if there is interest.

Botyrius-7415 N. 37th St Easement Discussions-Potential Sewer Connections
The Authority would like to obtain a single 20 foot wide by 30 foot long easement from the northerly most manhole on the property of Mr. and Mrs. Botyrius to service the former Reed home + vacant lot, 11722 and possibly 11732 DE Avenue. Subject to final Board Approval, Pierson had made an offer to the Botyrius's for this easement. Mr. and Mrs. Botyrius were also advised of the cost to connect their home (7415 N. 37th St.) to sewer.

Kiss-12111 S. Sherman Lake Completed Grinder Installation-Final Invoice
Mr. Kiss was invoiced for the balance of his grinder pump installation. The total cost including the Sewer Connection Fee was \$13,630.57. The Authority used our Work Order System to record and better capture the cost of time and material spent on the installation.

Ad Vatta-6291 N. 37th Grinder Connection Completed/Signed Form
We received the signed agreement from Mr. Vatta and his wife transferring the Grinder Pump basin and appurtenances to the Authority. This allowed us to complete his Grinder Pump Connection and enter his property to service his grinder pump system going forward (after it had been disconnected previously).

Jeff Reicherts-Health Dept 1360 Burlington New Well Connection
GLSWA assisted Jeff in getting sewer infrastructure information for the site at 1348 and 1360 Burlington so that he could evaluate a new well connection.

Glas Builders-4306 EGLD Set Tear Down Policy
Pierson reviewed a letter to Glas Builders describing our requirements for when a house is torn down and reconnected to sewer and recommended that the Board adopt this as policy. If a house is torn down and is to be reconnected to sewer and the 4" was installed before 1993, GLSWA requires that the new 4" building sewer be connected to the public sewer tap. If the 4" was installed in 1993 or after, the contractor may request to reuse all or a portion of the existing 4" building sewer, subject to a camera inspection and permission from our office. A motion was made by Harma and seconded by Dykstra to approve the policy for sewer reconnection as reviewed by Pierson. **Motion carried; all ayes.**

NEW BUSINESS/PROJECTS:

Annual Delinquent Certification 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. Kahler made a motion to approve the annual delinquent certification list as submitted on August 26, 2015. Motion was seconded by Harma. **Motion carried; all ayes.** *The final delinquent sewer certification list will be sent to the Township Treasurers in early November to be put on the tax roll.*

Balwat-"Cottages" E. of Stage Coach Set Policy & Approve Cost Sharing
 The Authority requires developers to oversize sewer pipe and depth to service beyond their own development. Pierson asked the Board to approve this as a policy. The Mission Pointe development failed to extend at their cost the sewer to the west property line of the Cottage Pointe Condominium development. Pierson asked the Board to approve Authority spending to extend this sewer and also to pay for oversizing of other sewer within the Cottage Pointe Condominium development. Kahler made a motion to set the policy requiring developers to oversize sewer pipe and depth to service to and beyond their development and to approve up to \$30,000 of cost sharing by the Authority for sewer extensions and pipe oversizing for the Cottage Pointe Condominium development. Motion was seconded by Stoneburner. **Motion carried; all ayes.**

Zoetis-Capital "Surcharges" Memorandum + Response
 Currently, Zoetis's sewer discharge exceeds the contract capacity. Zoetis had requested an estimate for budgeting purposes of the Capital Costs payable to the Authority for the wastewater discharge that exceeds the contracted amount of 150,076 gallons per day. Pierson provided an estimate but cautioned that he does not believe that a six month history of metering by new sewage meters is sufficient to support an appropriate adjustment -- and suggested that the meters be monitored for an additional 6 or more months for an average monthly flow to form the basis for an additional payment to the Authority based on the indirect connection fee of \$1,625 per unit. Zoetis, in a responding email, agreed with this approach.

MDEQ-PPP Engineering Report Reporting Error in MDEQ's Favor
 The Authority received a courtesy copy of an AECOM report to the MDEQ discussing a potential overestimation of system flow from the North 34th Street groundwater extraction site. Pierson reviewed a draft response with the Board. Dykstra made a motion to authorize Pierson to send the draft memo with Rob Thall's review in response to the AECOM findings. Motion was seconded by Harma. **Motion carried; all ayes.**

Lightning Strike-Update Aug 17-Lost Computers & Phone Lines
 We are compiling a list of the cost for repairs/replacements of damaged items to submit to the insurance company. I.T. Right fixed our server/computers and Great Lakes Cable fixed our phone system.

Sampling-LS#1 Ditch+Greer Dr. Background Data
 Water Samples were tested so that the Authority will have background data as a reference point for future Sanitary Sewer Overflows at LS #1.

Rob Thall-Legal Counsel Meeting
 Pierson met with our legal counsel to review several issues: Consumers Property, Consumers Easement, Zoetis, Greer Drive, Authority Strategic Planning, Richland Sewer-Water

Asset Management Implementation Update on Schedule & Progress

- Camera + Vactor updates to be provided at end of October
- Proposal forthcoming for upgrading controls of 10 lift stations for Inflow/Infiltration-flow measurement.
- Pipe Assessment-PACP; Manhole Assessment-MACP
- ESRI-GIS-beginning to work with ArcGIS on-line platform
- PICA See Snake on LS 1 Forcemain-data skewed by "speed of tool"
 - New data set coming-no dig verifications yet
 - Then we will make plans for digging and for next year

Manhole Raising Project Work Continues on this Project
 156 Manholes Inaccessible: 83 in yards, 73 in road. Work has been completed on 71 manholes in the yards.

4 Repair Sites To Be Bid
 2 drop manholes under asphalt, 1 wye under asphalt, 1 air release

Projects-Miscellaneous Various Projects and On-Going Work
 Cottages of Gull Lake View (Golf Course)-Completed
 Plat east of Stage Coach Inn – Balwat Cottages
 Gull Lake Condos – On Hold
 Cooper's Landing – 2 or 3 new buildings
 New 4500 sq ft bldg behind existing Mission Pte restaurant
 New Pole Barn #3 (and #4)-Property Committee

Concrete Repair Proposal
 Pierson reviewed a proposed Concrete Replacement Project of 5 stations that are a definite trip hazard and/or have unacceptable appearance. 2 bids were received. A motion was made by Kahler and seconded by Dykstra to approve the proposed concrete replacement project in the amount of \$13,200. **Motion carried; all ayes.**

OLD BUSINESS: ACTIVE

Work Order System Manager Plus Software
 We are regularly inputting unscheduled work orders

Staffing + Strategic Planning Update
 Yet to meet with Chairman Stoneburner on planning and sustainability.

Metered Billing Update
 Received some data from the City and met with Tom Traciak, Rate Consultant.
 Requested additional data from City, but no response yet.

Kalamazoo Road Commission Update
 Verbal "wait and see" on doing additional work to 2 patches.
 We are proposing to repair two 'sewer dips' on D Avenue behind the Bowling Alley.

OLD BUSINESS: INACTIVE (Reviewed briefly by the Authority Board – discussion items bulleted and noted in bold)

Easement Adjustment-Gull Lake Condos Documents Received
 Received documents from CMS to process for right-of-way acquisition.

Gilmore Car Museum Draft Agreement for Service Boundaries
 On hold pending actions taken by Southwest Barry County SW Authority.

Galesburg to Kalamazoo Trunk Sewer Inquiry
 GLSWA may be obligated for replacement costs for the System 3 Trunk Sewer from Kalamazoo Township through Galesburg. The pipe is to be evaluated this year by Comstock Township under the SAW grant -- and we will be kept informed of its condition analysis, and be reviewing and meeting with Comstock, Augusta, Galesburg and Kalamazoo Township in this regard. **Report Forthcoming.**

PICA See Snake Main Forcemain Investigation Next Steps
 GLSWA to excavate and verify that the corrosion identified by PICA is exterior corrosion, then plan for repair and/or replacement. **Learned that our data is not as precise as we thought-postponed dig verification-awaiting new data.** Since Phase I of PICA came in over budget, GLSWA does not currently have enough money in the SAW budget for Phase II. Upper ½ possibly to be scheduled for 2016; Est \$240,000. Also, there are 23 remaining forcemains 4" or greater ductile iron pipe that may be similarly corroded. The estimated cost for See Snake Evaluation of these pipes is \$410,000. *Pierson to develop alternative plan for testing of these forcemains.*

Charleston Township Sewer Discussion w/ Fran Bell, Supervisor
 Discussion with Fran Bell - Charleston Township as contract customer - initially for Miss Dig Service. Charleston Township sewer contract with Kalamazoo expires in 2016. *Pierson to put together an analysis evaluating having GLSWA take over the small portion of sewer and two pumping stations currently serviced by the City of Kalamazoo.*

Village of Richland Contract Expired Agreement
 The Village/Authority Wastewater Agreement has expired and needs to be renewed. *Pierson to proceed to update the Village agreement and present it to the Authority and the Village Council for approval.*

Connection Fee Financing Plan

Proposal

Pierson to propose short-term Connection Fee Financing plan for certain Connection Fees.

Commercial Review/ Apt Usage/ Metered Billing Rate Study

Sent Rate Consultant City meter data – awaiting Rate Consultant response. **Met with Legal Counsel.**

Miscellaneous Customer Fees

No New Information

Pierson to follow up with Thall with letters + resolutions for Board consideration.

Emergency Fuel Acquisition

Awaiting Reorganization Before Purchase

Awaiting reorganization and cleaning of the pole barn and outside storage before purchasing-Target Date August 28th.

Billboard/Purchase of Consumers Energy Property Pierson Met With Representative
Pierson requested an opportunity to discuss two property issues with CMS Energy:

1. Acquire the property in front of our office and grant back to CMS/ITC a permanent easement for electrical power and any other existing uses. This would enable us to monitor and control the truck traffic and parking that occurs on the gravel drive and provide for a safer entrance and exit for our staff.
2. Acquire a 30 foot easement along the north line of the power line property in Richland Village in order to properly service and/or replace the pipeline in the future.

Pierson to pursue each of these as time permits, with an initial focus on the latter.
Received documents from CMS to request purchase of property.

Sherman Lake Easement-Clean-up and Check

Review

Pierson to review easements and check for accuracy – file in GIS system. Pierson has started this.

Regional Commission – City of Kalamazoo

Update

Working on 40-yr agreements after lawsuit was dismissed with a tolling agreement (can be refiled at any time).

Botyrius-7415 N. 37th Street

DE Ave Easement Request

GLSWA requested easement access for the vacant lot and address 11654 East DE Avenue. Potentially 4 houses could connect to sewer if this easement is granted. Wrote 2nd letter requesting easement – as property owner requests public sewer. **New proposal submitted.**

EF Ave Sewer-Old Plug Company

Project Still Not Finalized

This was constructed during the week of 9/3/14 and inspected by Prein & Newhof and GLSWA staff. Project is not yet finalized. Awaiting easement signatures to finalize project – Done, awaiting return of documents from Reg of Deeds.

Malpass, Sherman Lake Grinder Customer Sewer Back-up Liability Concern
Insurance grinder pump liability if grinder pump fails – considering additional alarm telemetry.

Lift Station Guide Rail Replacement Project Update
Continued progress; LS #9 completed; only LS #15 remains.

Air Release Valve Rebuilding Rebuild 10 Air Release Valves
As a result of the SSO incident in July 2013 with the galvanized nipple on an air release valve, GLSWA has rebuilt 8 Air Release Valves. There are 2 yet to be rebuilt.

Grinder Lines (37th Street Only) Corrosion – Erosion Prevent
There is a known corrosion issue with ductile iron next to copper grinder line connections -- and these are being remedied (wrapped or replaced with plastic). We have completed 6, and there are 4 in Charleston yet to do. These will be done in 2015.

30th Street Gravity Sewer-Future Design Completed; Need Easements
Per our 2008 agreement, GLSWA is obligated to construct necessary downstream infrastructure (capacity) to handle the Allen Edwin development and beyond, likely to involve a 30th Street force main and/or gravity sewer. *Pierson needs to obtain 7 easements prior to starting this gravity sewer project.* The project timeline is dependent upon the developer's build out of their phase II, which has not yet begun.

1980 – 1990 Easement Releases Ongoing Project-coordinate w/ scanning files
Established format for filing easements.

Sewer Connection Fee Issues No response; \$8,700 Eng Fees not Paid
There has been no response from Attorney Ken Sparks letter to Attorney Swenarton as of yet. In addition, the developer still owes GLSWA engineering fees of approximately \$8,700.

Water Connection Fee Issues Ongoing Project
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). *Pierson to make recommendations.*
Also, need to establish adequate connection fees to provide for the replacement of watermain in the future, as the Township owns the watermain. Pierson acquiring data on the assets.

Gull Lake Ministries Reconciliation of Units + Conn Fee Process
Pierson to determine if any of the single family homes we currently bill GLM for are large residential multi-bed structures that should be re-rated. A remaining issue is the tracking of the Capital units. From an Authority perspective, in order for assessment credits to be used, they must be used on the same parcel. *Pierson offered*

to meet with the GLM this coming fall to work with GLM on consolidating parcels in order for them to have access to the Capital unit credits.

Cooper-15968 Woodlawn Portion of Sewer on Neighboring Property
Pierson proposed a possible solution which would entail the granting of an easement from the owner of lot 4 to the Authority in order to provide the proper service. There has been no response from the owner to meet to create a solution.

FINANCIAL REPORT

Financial Report / Bills Paid + Payable / Prein & Newhof Billing

A motion was made by Kahler and seconded by Harma to file the financial reports as presented, approve the standard bills paid, and pay the Prein & Newhof bill. **Motion carried; all ayes.**

Audit Presentation

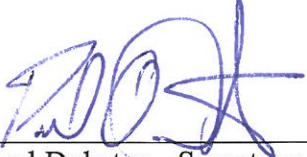
Authorize Submittal to State

Robert Loftus and Monica Loegel from Seber Tans, PLC were present to review the results of the GLSWA audit for FYE March 31, 2015. 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 continued to pay debt ahead of schedule and has enough cash on hand for new sewer construction or capital improvements. The Authority's total net assets decreased by .2%. Revenue, excluding SAW Grant, increased \$60,000. "Base" revenue (excluding industrial and purge flow revenue) is approximately 55% of total revenue. Any variation in industrial and purge flow revenue will significantly impact the Authority's operating revenue. Expenses increased by \$255,000. Compensation, Treatment Charges, and Depreciation make up approximately 77% of GLSWA's expenses. Absent depreciation, the Authority had a surplus of operating revenue over expenses of approximately \$339,000 in 2015. This compares to a surplus of operating revenue over expenses of approximately \$166,000 in 2014. Operations provided \$307,000 of cash flow. During FYE 2015, the Authority recognized approximately \$325,000 of revenue from the SAW Grant and incurred costs of \$361,000 performing services covered by the SAW Grant related to the Authority's asset management plan. There were no management concerns to report. Mr. Loftus recommended that the Authority Supervisors review key financial reports as separation of duties is limited due to the small size of the Authority's office staff. Harma made the motion to approve the draft audit as presented and authorize Seber Tans, PLC file the audit with the State of Michigan as required. Motion was seconded by Dykstra. **Motion carried; all ayes.** The Board thanked Robert and Monica for their work.

CLOSING COMMENTS :

ADJOURN. NEXT MEETING THURSDAY, OCTOBER 22, 2015 at 11:00 a.m.
Pierson noted that due to vacation schedules and to prepare for an Authority Board Workshop, we would like to skip the September meeting and meet in October. Chairman Stoneburner adjourned the meeting at 2:35 p.m.

Submitted for approval



Paul Dykstra – Secretary