

Gull Lake Sewer & Water Authority

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1

MINUTES OF THE SEPTEMBER 20, 2017 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, Lysanne Harma and Gary Moore. None absent. Also present were Executive Director Rich Pierson, Executive Assistant Anne Richmond and Engineer Tom Wheat. Auditors Robert Loftus and Monica Loegel were present to review the 2017 FYE audit with the Board. Brooke Ernsberger from Advia Credit Union arrived at 2:00 p.m. to obtain signatures for updated bank signature cards.

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

MINUTES OF THE AUGUST 23, 2017 REGULAR MEETING: A motion was made by Harma and seconded by Kahler to accept the regular meeting minutes of August 23, 2017. **Motion carried; all ayes.**

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

AUDITOR PRESENTATION: FYE 2017 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, 2017. 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 \$64,000 or 0.4% primarily due to the excess of annual depreciation expense not being offset by capital asset additions. Revenue, excluding SAW Grant, decreased by \$86,000 or 6.1%. "Base" revenue (excluding industrial and purge flow revenue) is approximately 67% of total revenue. Any variation in industrial and purge flow revenue will impact the Authority's operating revenue. Expenses increased by \$82,000 or 4.4 % primarily due to more SAW (asset management) expenditures. Compensation, Treatment Charges, and Depreciation make up approximately 78% of GLSWA's expenses. Absent depreciation, the Authority had a surplus of operating revenue over expenses of approximately \$168,000 in 2017. This compares to a surplus of operating revenue over expenses of approximately \$244,000 in 2016. Operations provided \$220,000 of

cash flow, partially due to SAW reimbursement from the DEQ. During FYE 2017, the Authority recognized approximately \$240,000 of revenue from the SAW Grant and incurred costs of \$266,000 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 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. 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:

Email-RP Retirement Email sent to all contacts
Pierson sent an email announcing his retirement to friends, co-workers, and colleagues and included the Executive Director job posting for anyone who may be interested in the position.

Harn-MDEQ Response-PPP Contract Renewal Efforts
David Harn of the MDEQ is going to try to get a new agreement in place for the Production Plated Plastic's site before Pierson's retirement.

Young-Barry-Eaton Health Dept Point of Sale 4" Pipe Certification Discussion
Pierson reiterated his belief that an inspection should be required of each homes' 4" private pipe to the street upon sale to check the home for sump pumps and to ensure that the 4" pipe is sound and not allowing infiltration into the public system.

Evans-Parchment Tower Parchment Tower Not Working as We Envisioned
Pierson informed the Evans that the testing of the Parchment tower hasn't gone well and that we are looking at other alternatives. A followup email was sent on September 19 informing the Evans that GLSWA was "pulling the plug" on the tower acquisition.

Woodward-Absolutaire Added New Building/Sewer Connection without Permit
Absolutaire connected new facilities to the public sewer and also replaced 4" building sewer pipe with new 6" pipe and the work was not permitted or inspected. Pierson informed Absolutaire that we require that they fill out the sewer permit and pay the \$75 fee. In addition, as we are unable to rely on the contractor to properly document the work, we require that we camera the underground work to document its location. The camera fee is \$85. On-site we noticed that two clean-outs were without proper caps, plus we were informed that there is a buried cleanout. All clean-outs must be brought to grade and properly capped and witnessed.

Clancy-Realtors NE Quadrant of Little Long Lake – Prairieville Township
Pierson clarified the possibility of a NE Little Long Lake Sewer Expansion in an email to Bill Clancy. If the land owner of the larger parcel to the east is interested in the

public sewer project, the project would be fairly straight forward with their cooperation. If the land owner is opposed to the sewer extension, we have rights of condemnation. The sewer would not be extended along the road due to the elevation. *Pierson to evaluate extending the sewer along the lake.*

Decker-Insurance Agent Sewer Overflow Coverage Inquiry
GLSWA's current sewer overflow coverage is \$100,000 including defense cost for a charge of \$750 annually. To increase the coverage limit to \$250,000 would cost an additional \$1,250 and to increase the coverage limit to \$500,000 would cost an additional \$2,000. No action taken at this time. *Pierson to evaluate coverage and report back next meeting.*

Hogarth-Consumers Energy Settlement Reached
Pierson reached an agreement with Hillary Hogarth of CMS energy to settle the Ross Township incident where Consumers Energy directional drilled through our sewer pipe by having the Authority contribute our labor costs of \$750 with Consumers Energy paying \$3,000. GLSWA has received the check from Consumers Energy.

Hahn-Wightman Assoc. Sewer Lead Request for Possible Condo Project
Pierson provided sewer lead information in the vicinity of 9226 West Gull Lake Drive to Gary Hahn at Wightman Associates for a potential Condo project.

Authority Board-Pole Barn WAI Assistance to Tighten Bid Variance
Pierson requested assistance from Wightman & Associates to review the Pole Barn package and assist with the cover letter to attach to the Request for Proposals.

Stafford-Teardown Requirements for Tear-Down and Capping
Mr. Stafford is the contractor for a teardown at 1186 Burlington. We informed Mr. Stafford of the Authority's requirements for sewer capping and sewer reconnection.

Britain-GLHS Pool Inquiry Potential Pool and Auditorium Additions
Pierson provided an estimate of the potential Connection Fee (\$90,000) and User Fee (+\$1,400/month) for a 660,000 gallon pool if it were to be drained and filled quarterly and if it used 6300 gallons backwash per week. The capital and user cost implications vary depending on the pool requirements for draining and refilling.

Britain-40th St Campus-Kellogg Sewer Inquiry
Pierson provided information regarding a potential 40th Street Campus sewer project. This was studied in 2004 and 2008.

NEW BUSINESS / PROJECTS UPDATE

Purchase 6 High Head Grinder Pumps Request for Motion
Pierson informed the Board that GLSWA needed to order more High Head Grinder Pumps for Sherman Lake stock. The cost for 6 pumps (price break at 6) is \$10,578 + freight. Kahler made a motion to approve the purchase of 6 High Head Grinder Pumps for Sherman Lake stock at a cost of \$10,578 + freight. Motion was seconded by Harma. **Motion carried; all ayes.**

John Deere Tractor + Implements Request to Purchase
The Authority has the opportunity to purchase a used John Deere 26 HP Tractor + Implements in good condition for \$14,000. This equipment could be used for minor excavations, restorations, loading/unloading + easement clearing. A motion was made by Kahler and seconded by Harma to approve the purchase of the John Deere Tractor + Implements in the amount of \$14,000. **Motion carried; all ayes.**

Asset Management Plan (SAW)

- Asset Management Plan: Final web-site version scheduled for posting by the end of September.
- Radios: Inflow/Infiltration: Review + adjust Asset Mgmt Plan for 2018 regarding telemetry (SCADA). Approve purchase of telemetry equipment for FYE 2018 - \$17,000. Abandon Parchment Tower Acquisition + Ross Township Tower and approve expenditure of \$3,000 to remove antennas. Cancel Ross Township Tower Agreement. Approve cellular link purchase for Cooper Township -\$1,500 + \$20/month for cellular service. A motion was made by Harma and seconded by Kahler to approve the purchase of telemetry equipment in the amount of \$17,000, abandon the Parchment Tower Acquisition and spend up to \$3,000 to remove the antenna(s) – Ross + Parchment, request Ross Township to cancel the Ross Township Tower agreement, and purchase a cellular link for Cooper LS #41 for \$1,500 + \$20 per month for cellular service. **Motion carried; all ayes.**

- Projects-Miscellaneous 2017-2018 Various Projects and On-Going Work
- Riverview-Keyes Drive: 170 homes – 2019; RFQ being prepared
 - Gilmore Farms-if ever 500 new homes, requires new forcemain/gravity main
 - Gull Lake Condos – project moving forward slowly-Woodhouse's Next Phase
 - Condos on west side of Gull Lake – exploratory inquiry
 - 40th Street KBS + School project – exploratory inquiry

Director-Staffing Update Update on Resumes and Advertisement Response
Pierson updated the Board on the resumes received to date. These will be reviewed by the Hiring Committee on September 27 from 2-3. Initial interviews will be scheduled for the first week in October. *Pierson to send interview questions to the Hiring Committee.*

Pole Barn Pricing “Sticker Shock”
Discussing options and alternatives to lower cost.

Work Orders over \$1,000 Manager Plus Work Order System
65-74 (9) additional ‘reactive’ work orders since last meeting. Available for review if
and as needed

-WO#55 Walker Grinder Install – Sh Lake \$15,436 (Hardship promise of < \$14,500)

A motion was made by Harma and seconded by Kahler to absorb the grinder pump
installation cost overrun of \$936.45 out of the \$10,460 Connection Fee. **Motion**
carried; all ayes.

OLD BUSINESS: ACTIVE...but NO CHANGE

Richland Village Sewer Agreement Pierson to Rework Agreement
Pierson to rework agreement and submit to Authority and Village Legal Council.

Charleston Letter of Intent Response to Letter of Intent Questions
Awaiting response from Charleston Township after clarification letter sent.

Cooper Township Franchise Asset Management Plan + Letter of Intent
Pierson to develop Asset Management Plan for Cooper Township sewer and prepare a
letter of intent.

Richland Village Meeting Held on 7/25
A meeting was held on 7/25 with Rich Pierson, Jim Stoneburner and Village President
Dave Greve on the proposed agreement. As a result of the meeting, *Pierson to present*
the Village with a proposed Sewer / Water Agreement in the near future.

Gull Lake Condos – Easement Pierson & Wheat Reviewed Application
Pierson and Engineer Wheat reviewed the easement application-to be prepared and
submitted.

Logo: Proposed Logo Selection Yet to be Selected
New proposed logo for GLSWA documents – yet to be selected by staff.

Metered Billing Project Proposed Timeline
Proposed timeline for metered billing project – Ordinance adoption by 4/1/18.

(3) Repairs Discovered a 2nd Broken Wye
Discovered a 2nd broken wye or lead based upon 4” reuse policy.

Rosenberger-Havens Condos No Action on Proposed Settlement Agreement
The phone response was positive, but there has been no further action on the proposed settlement agreement.

DEQ-Purge Well Discharge Receipt Acknowledged; No Further Action
Email sent to DEQ 5/23 to remind them of the need for a revised 'new' agreement, but no action by the DEQ as of yet on the proposed agreement.

Regional Commission Update
Continued Water Contract negotiations / Rate Base / Ownership discussion.

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

FINANCIAL REPORT

Audit - as of 3/31/2017: Audit work has been completed by Seber-Tan (see Auditor Presentation).

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 through August 31, 2017, and pay the Prein & Newhof bill. **Motion carried; all ayes.**

ADJOURN.

Chairman Stoneburner adjourned the meeting at 2:45 p.m.

Next Meeting: Wednesday, November 8 at 1:00 p.m. – Regular Meeting

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

9/14/2017

No.	Item	Status
1	DEQ Purge Well discharge <i>Response from DEQ stating they would move it forward.</i>	: Wells turned back on - still plan to be shut down in 2017; New Agmt to be drafted; Lease pay't - yes : 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 Hanna + 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) : Parcels need to be combined under common parcel number or they owe Conn Fees
5	Galesburg - Cornstock Interceptor	: Within main agenda : Postponed this work - anticipate new Regional Agmt in 2018 will resolve this: Pipe Repair needed
6	Charleston Township Sewer Pierson sent letter to clarify questions 8/21	: 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 Pierson sent email with target date mid-September	: Contract drafted. To be reviewed and forwarded to Village for their January meeting Emailled D. Greve suggesting meeting w/him on Village Richland sewer/water issues
9	Sherman Lake Easement 'clean-up / verify' SAW eligible - Anna, Cheryl, Illich + 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	Malpass, Sherman Lake Grinder Customer	: Had backflow while grinder shut off for winter : Liability / procedural decisions to be made as to what needs to be done for Sh Lk snow-birds
11	Kalamazoo Regional W / WW Commission Pierson discussed with legal counsel the Richland/Ross water issue	: GLSWA is party to a lawsuit (now withdrawn) regarding rates and charges : New water and wastewater agreements are being worked on by the Commission
12	Air Release Valve Rebuilding.	: 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
13	37th Street Grinder lines tapped into D Iron These will be rebuilt when we replace LSR1 for curbs	: Corrosion issue with copper corrosion. : We have rebuilt 6 of these - 4 additional in Charleston Township to be rebuilt
14	30th Street Gravity Sewer - Future RP briefed Richland Twp on the 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
15	Water Connection Fees (Village / Township) Water Ordinance needs updating as well	: 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 \$5 will be needed
16	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.
17	Miscellaneous Customer Fees	: Sump pump violations: Pierson to pursue with certified mail and Misc Customer fee procedure
18	Emergency Fuel Acquisition AG has taken this over: Will need reauthorization	: Authorized last year but never purchased due to space concerns / reconfiguration : Pierson to follow up in 2015 - now 2016 - now 2017
19	Manhole raising Project	Info: 160+ inaccessible; 83 - in yards, 73+ in road; Work continues: 90 in yards + 11 in road done: Preparing estimates for 2017 seasonal repairs
20	4 Repair sites: to be bid 3rd repair needed SGLD: to be 2017	LS 24 Air Release, LS 24 gravity drop repair under asphalt (Matt); Burlington wye (Matt) Possibly be in-situ (inside pipe) repairs: \$6000 each instead of \$8000 - \$10,000 each
21	Articles of Incorporation - to be reworked Done: Awaiting spring 2017 ordinance / contracts to be proposed	: Requires ratification by each municipal board.
22	Rosenberg: on Connection Fee + Eng Inv. Awaiting Rosenberg to come in to discuss	: Said he would meet with Director Pierson in the near future (this was early January)