

Gull Lake Sewer & Water Authority

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7722 N. 37th Street
Richland, Michigan 49083
Phone: (269) 731-4595
Fax: (269) 731-2596
www.glswwa.org

MINUTES OF THE SEPTEMBER 27, 2012 REGULAR BOARD MEETING

Authority Board Meeting

10:00 A.M.

CALL TO ORDER/ ROLL CALL: Chairman Bither called the meeting to order at 10:03 A.M. Commissioners present were Jeff Bither, Jackie Light, Jimmy Stoneburner. Wes Kahler arrived at 10:20 A.M. None Absent. Also present were Director Rich Pierson and Administrative Assistant Anne Richmond. Robert Loftus and Monica Loegel from Seber Tans, PLC were present to review the audit for the Board.

REVIEW AND SET THE AGENDA: Stoneburner made the motion to accept the Agenda as revised to add the Audit Presentation to New Business. Motion was seconded by Light.
Motion carried; all ayes.

MINUTES OF THE AUGUST 28, 2012 REGULAR MEETING: A motion was made by Light and seconded by Stoneburner to accept the regular meeting minutes of August 28, 2012 as presented. **Motion carried; all ayes.**

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

CORRESPONDENCE: Pierson reviewed the following correspondence:

To: Dana Walters Trust: 15984 Woodlawn Sump Pump Inquiry
Dana Walters Trust at 15984 Woodlawn Beach was asked to contact us to discuss whether they have a ground water sump pump. Based upon inspection of the public sewer lines on Woodlawn Beach, we suspect a sump pump is discharging ground water or storm water into the public sewer. There has been no response.

To: Bowman & Brockman: 5320 N. 20th St. Sump Pump Inquiry
Mr. Bowman and Mr. Brockman were advised that ground or storm water discharge into the public sewer is prohibited. They recently connected the home at 5240 N. 20th St. to public sewer and many homes in that area have ground water issues in their basement. They were asked to contact GLSWA to discuss whether they have a ground water sump pump and if so, whether it is connected to public sewer. There has been no response.

Fr.: Louise Vine, 9496 Lightwood Court Rate Increase & Foreclosure Question
Mrs. Vine read our August 8, 2012 letter advising customers of a rate increase and wrote a letter to Pierson indicating that she took exception to one of the reasons for increasing rates: "loss of customers from foreclosures".

- a. If the home is connected to the City of Kalamazoo water, then water service from the City must be turned off.
- b. If the home is not connected to the City of Kalamazoo water, the power must be turned off.

Pierson wrote that we hope to make arrangements with Kalamazoo during 2013 to obtain water meter readings and implement a 'ready-to-serve' charge of \$10 per month +/- to cover the fixed monthly costs and base the remainder of the bill on actual water consumption; but until then, the existing guidelines remain intact.

UTILITY SERVICE REPORT

3904-17-360-076_370 South Gull Lake Dr. Request to Verify Sewer Connection
New owner Shelly Gildea Knight called and asked us to confirm the home was connected to sewer. When we tried to verify the connection with the sewer camera, we found that wastewater from the home still flows to an old tank along with many other deficiencies and we were unable to camera 100% of the pipe. Pierson recommended several fixes and GLSWA will complete the camera work when the fixes have been implemented.

0812-036-040-00_15437 M-43 Hwy Camera Found Pipe in Poor Condition
A Miss Dig request on 15437 M-43 Highway resulted in GLSWA using the sewer camera to locate the sewer pipe. We found at least 8 bad joints, a belly in the pipe, and evidence of the pipe being ½ full. The south half of the building sewer had been reused. If we had televised the pipe prior to re-use, a lot of these deficiencies could have been prevented.

NEW BUSINESS:

Audit Presentation Annual Audit Presentation + Authorization
Robert Loftus and Monica Loegel from Seber Tans, PLC were present to review the results of GLSWA's audit for FYE March 31, 2012. 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. Contributed capital has been decreasing in the last few years as construction has slowed down and depreciation expense has remained steady at approximately \$470,000 each year. This has resulted in a decrease in Net Assets for the Authority. Compensation, Treatment Charges, and Depreciation make up approximately 85% of GLSWA's expenses. "Base" revenue (excluding industrial and purge flow revenue) is approximately 70% of total revenue. Any variation in industrial and purge flow revenue will significantly impact the Authority's operating revenue. Absent depreciation, the Authority had a surplus of operating revenue over expenses of approximately \$21,000 in 2012. This compares to a surplus

of operating revenue over expenses of approximately \$110,000 in 2011. Operating revenue decreased by approximately \$40,500 from 2011 to 2012 primarily due to decreased purge flow revenue. Operating expenses increased by approximately \$48,500 from 2011 to 2012 due to increased costs for Repairs and Maintenance, Salaries and Wages, and Contracted Services. Mr. Loftus referenced a graph showing that the gap between total revenue compared to total expenses has been growing and noted that the rate increase was implemented at the right time. There were no management concerns to report. Light made the motion to approve the draft audit as presented and 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 and expressed appreciation to Anne Richmond for her diligence and accuracy.

Groundwater – Clean Water Elimination Issues, Policy, and Procedure Discussion
Eliminating clean water from our sewer system requires finding and eliminating sump pump connections to the sewer as well as deficient 4” building sewers as found at 15437 M-43 Highway (reference discussion under Utility Service Report). This will have ramifications for our customers that the Authority needs to develop policies and procedures to address. *Pierson to continue to develop policy recommendations going forward.*

Connection Inspections + 4” Pipe Inspections Sale of Home Requirement
There are approximately 800 homes around Gull Lake that were connected to sewer prior to inspections by GLSWA (1993 to present), as the state plumbing division inspectors performed cursory inspections. We have found several deficiencies in these un-inspected connections. The Authority is debating whether to require each home sold in our district to have a complete camera inspection of the private building sewer. Such a policy would protect buyers from having problems and from contingent liability for the Authority that may occur. The Board discussed the benefits and the negatives of such a policy. *Pierson to continue to develop policy recommendations going forward.*

Turn-Off; Turn-On Fee Discussion
We have had requests from grinder pump customers to turn off their sewer service while they are away for an extended time, as the grinder pump systems use a dual check-valve to prevent backflow, and should these check valves fail (rare occurrence), there could be a backflow of wastewater into the home that could possibly be significant. (These check valves are not considered a deficiency). GLSWA has the ability under the ordinance to set fees. Pierson proposed setting a fee to turn grinder pump service on and off. Light made the motion to set a \$40 fee to turn off grinder pump sewer service and a \$40 fee to turn grinder sewer service back on. Motion was seconded by Stoneburner. **Motion carried; all ayes.** At this time, this policy applies to grinder pump sewer service only. *Pierson to develop a proposal to address requests to turn sewer service on and off for gravity sewer connections, including an administrative fee for office administration monitoring and tracking.*

New Permit Form

Proposed Permit with Camera Fee

Pierson presented a new permit form that would accommodate a \$75 fee for sewer cap inspections in addition to sewer connections and also add a \$85 fee to camera a 4" building sewer. Kahler made a motion, seconded by Light, to approve the new permit form, affirm the \$75 permit fee, and approve the new policy of charging \$85 to camera all or portions of an existing building sewer. **Motion carried; all ayes.** *Pierson to evaluate if \$85 is enough to cover the cost to camera a building sewer and to recommend policy regarding tear-downs, capping, reuse of 4", verification of connection, etc.*

Office Construction Items

Sign; Landscaping; Chairs

Pierson presented proposals for the new Office Sign and recommended approval of the Non-Illuminated Entry Sign. Kahler made the motion, seconded by Stoneburner, to purchase the new Office Sign for an amount not to exceed \$5,000 and use remaining office budget funds for landscaping. **Motion carried; all ayes.** There is \$7,227 remaining in the office budget.

Staffing Updates

2-day per week Office Assistant-Billing Clerk

Pierson informed the Board that we received 23 applications and interviewed 8 candidates and have narrowed the choice to 3. The new Office Assistant-Billing Clerk will start October 24 with a 60 day probationary period. Light made a motion, seconded by Stoneburner, to authorize Pierson and Richmond to select the candidate from the top 3 candidates. **Motion carried; all ayes.**

2-day per week Field Assistant #1

We have budgeted for a 2-day per week Field Assistant to begin repairing the items discovered during our 2010 manhole checks, then be the substitute for Duane's unpaid leave of absence Jan 1- Apr 15. Upon Duane's return, this person would continue with the repairs and initiate doing manhole checks once again. Pierson recommended Doug Fooy, who we recently interviewed for the Maintenance Assistant position, for the part-time Field Assistant #1 position. Kahler made the motion, seconded by Light, to hire Doug Fooy for the Field Assistant #1 position with a 60 day probationary period. **Motion carried; all ayes.**

1-day per week Field Assistant #2

Pierson proposed hiring Dave Quick, who we recently interviewed for the Maintenance Assistant position, as a 1-day per week field assistant to do Miss Dig tickets, staking, and update our inspection drawings. This will free Barry's time for the Work Order System, Rain Impact Analysis, Clean Water Elimination, and other projects. Stoneburner made the motion, seconded by Kahler, to hire Dave Quick for the Field Assistant #2 position with a 60 day probationary period. **Motion carried; all ayes.**

Aaron Grogg Probationary Period Review, Update, and Recommendation
 We have been impressed with Aaron's work ethic, intelligence, the way he sees what needs to be done and his professional approach to getting it done. Pierson recommended that the Board approve a \$1/hr pay increase plus incentive fund contributions of \$1,500 now and \$1,000 on 1/1/2013. Stoneburner made the motion, seconded by Light, to approve the pay increase for Aaron Grogg as recommended.

Motion carried; all ayes.

Annual Delinquent Certification

Pierson reviewed the annual delinquent certification to local unit tax rolls. Light made a motion to approve the annual delinquent certification as presented. Motion was seconded by Kahler. **Motion carried; all ayes.**

Kim Gildea

Request to Adjust Lien to Primary Residence

Pierson informed the Board that per Mr. Gildea's request, we transferred two liens of \$4,356.41 from lot 9 and lot 10 of his property to his residence, lot 12, 8182 Bay Arbor Drive.

PROJECT UPDATE:

37th Street Repaving

Update

This has been completed. The forcemain was protected at the creek, 6 manholes were raised and the ditch has been added at our entrance.

Lift Station Guide Rail Replacement Project

Lift Station #5 was done on 9/20; #16 yet to be done this year. Others will be done as budget, time + staffing allow.

OLD BUSINESS: ACTIVE

Update on Rate Increase Presentations

Completed

The Rate Resolution has been approved in all townships and the Village of Richland. The web site will be updated with the new resolutions.

Fred Einspahr, 4880 EGLD

2006 Connection Missed a Primary 4" Pipe

Fred Einspahr, the homeowner of 4880 EGLD, asked the Board at the last meeting to consider reimbursement for the \$1,528 he spent on Roto Rooter to discover that the Authority contractor's 2006 sewer connection to his main house 4 inch line was never made. In addition, he asked the Board to consider restoration for damage that occurred during the new connection that the Authority authorized. *Pierson is obtaining alternate restoration estimates and will update the Board at the next meeting.*

Balkema was asked to check their notes to explain why they did not lay the pipe at sufficient depth or investigate fully that both pipes existed when they made the connection to 4880 EGLD in 2006. *Pierson to follow-up with Balkema including review with our attorney if needed.*

Malpass, Sherman Lake Grinder Customer Sewer Back-up Liability Concern
Mr. Malpass is concerned about GLSWA's limited liability under the statutes for sewer back-ups for Grinder Pump customers where the tank, pump, and line to the street are publicly owned. *Pierson to discuss this issue with Mr. Malpass and present alternatives at a subsequent meeting to better serve our grinder pump customers if feasible.*

Software – GIS – M-Power – Scanning Review Update on 2012 IT Plans
We have decided to go with Doc Record (document/scanning management software) and are awaiting the final process and quote review.

OLD BUSINESS: STATUS UNCHANGED

D. Avenue West Project Information Meeting This Fall
There was an opportunity for Richland Village to obtain MDOT funds for the D. Avenue West Sewer Project. The design is completed and shovel ready, but the Village has not gone through the informational meeting/assessment process. Pierson suggested for Village Council consideration that it might be appropriate for GLSWA to mail out information based on a "target special assessment" of \$7,000 and hold an informational meeting for the D. Avenue residents providing the Council feedback from the affected property owners so that the Village could commit to a project should funds become available again. Pierson and Lewis (P/N) presented the road and sewer issues at the June 2012 Richland Village Council Meeting. The informational meeting will probably not be until October – November.

Manhole Inspection/Inflow/Infiltration Project Update
Postpone manhole inspections + repair of piping until 9/1/2012 or beyond due to staffing issues and our inability to complete the work discovered during inspections.

Groundwater – Clean Water Elimination Update
GLSWA will study Cooper Township rainfall and pump data + 3 areas on Gull Lake. We hope to use this study to justify spending money in other areas. All weather stations have been installed. Lift Station recording elapsed time meters have also been installed. We now need to tabulate the data.

Grinder Lines (37th Street Only)
There is a corrosion issue with ductile iron next to copper grinder line connections and these are being remedied (wrapped or replaced with plastic). There are 4 in Charleston yet to do.

Charleston Township Sewer Update on Rates: Begin Cost-Benefit Analysis
Pierson to continue with cost-benefit analysis. Their sewer contract expires 2016.

Comstock Township Sewer + Water Update on Rates: Begin Cost-Benefit Analysis
This item is on hold.

Grease Ordinance + Enforcement Update
Pierson to review ordinances and initiate program for grease enforcement.

CMOM-Collection System Requirements Pending / Self Assessment: On-Going.
CMOM stands for "Capacity, Management, Operations, and Maintenance" and is a framework for municipalities to utilize widely-accepted wastewater industry practices to better manage sewer collection systems. Self Assessment is on-going.

Kalamazoo Regional Water + Wastewater Comm. Update
The FOIA lawsuit is awaiting a court date. The discovery process is ongoing to obtain rate model.

Billboard/Purchase of Consumers Energy Property Pierson Met With Representative
Pierson met with a Consumers Energy representative regarding billboard removal and/or relocation. *Pierson to write a letter.*

Easement Releases Ongoing Project-coordinate w/ scanning files to GIS.

Sewer Connection Fee Issues No response; \$8,900 Eng Fees not Paid
There has been no response from Attorney Ken Sparks letter to Attorney Swenarton as of yet. In addition, Rosenberger still owes GLSWA engineering fees of approximately \$8,900.

30th Street South Gravity Design Easement Pursuit
Easement pursuit to be accomplished by Pierson.

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).
Also, need to establish adequate connection fees to provide for the replacement of watermain in the future, as the Township owns the watermain.

Sherman Lake Easement-Clean-up and Check Review
Pierson to review easements and check for accuracy – file in GIS system.

FINANCIAL REVIEW/ PAY BILLS

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

CLOSING COMMENTS

ADJOURN. NEXT MEETING THURSDAY OCTOBER 25, 2012 at 1:00 p.m. Chairman Bither adjourned the meeting at 11:25 a.m.

Submitted for approval



Jacqueline Light – Secretary