

Gull Lake Sewer & Water Authority

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MINUTES OF THE SEPTEMBER 7, 2016 REGULAR BOARD MEETING

Authority Board Meeting

2:00 P.M.

CALL TO ORDER/ ROLL CALL: The meeting time was changed from 1:00 P.M. to 2:00 P.M. Chairman Stoneburner called the meeting to order at 2:08 P.M. Commissioners present were Jimmy Stoneburner, Wes Kahler, Lysanne Harma and Paul Dykstra. None absent. Also present were Executive Director Rich Pierson, Executive Assistant Anne Richmond, and Engineer Tom Wheat. Auditor Robert Loftus was present to review the 2016 FYE audit with the Board.

REVIEW AND SET THE AGENDA: Pierson added Metered Billing Update to the agenda under Old Business Active. Kahler made the motion to accept the Agenda as revised. Motion was seconded by Harma. **Motion carried; all ayes.**

MINUTES OF THE AUGUST 3, 2016 REGULAR MEETING: A motion was made by Dykstra and seconded by Kahler to accept the regular and closed session meeting minutes of August 3, 2016. **Motion carried; all ayes.**

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

CORRESPONDENCE:

AVB Contractor-GL Schools Check Received, GLSWA to Proceed
GLSWA has received payment from Gull Lake Schools for the new administration building sewer connection and will proceed with the construction process. A motion was made by Kahler to authorize Engineer Wheat to solicit qualified bids from 3 contractors for the project. Motion was seconded by Dykstra. **Motion carried; all ayes.**

Chemical Bank-Richland Irrigation Well Question
Chemical Bank asked if it was necessary to install an irrigation meter as they considered irrigating with City water rather than their well. Pierson advised Chemical Bank to irrigate with City water rather than install a new well. The decision to use an irrigation meter depends on how much irrigation they will do.

Sullivan-Easement + Invoice Sent to Mr. Sullivan
 An easement for Gull Harbor Pointe was sent to Mr. Sullivan for his signature along with an invoice for the charges to prepare the easement. GLSWA needs to receive payment and the notarized easement from Mr. Sullivan in order to issue sewer permits for sewer connections to Gull Harbor Pointe properties.

Zoetis-Paul VanderMeulen Raised Manhole
 GLSWA accessed and raised a manhole that was 4 feet deep on Zoetis Property.

Ziegler/Ritz-Atty S. Moren Teardown/Rebuild Possible Relocation of Sewer
 Pierson advised Mr. & Mrs. Ritz to design their proposed new home and then review it with the Authority to determine any necessary actions due to the location of the sewer pipe relative to their proposed new home.

Official Payments-Credit Card Follow up on Credit Card Payments
 GLSWA is working with Official Payments to change the credit card fee structure so that credit card fees are paid by the Authority rather than the customer for user fees.

Mark Williams-MSU Solution for SCADA Transmission Problems?
 The Authority investigated working with MSU to use their water tower to solve a transmission issue with our new SCADA system.

Andy Fogiel-MSU MSU Interested in Using GLSWA Tower
 MSU is interested in using the Authority's 100 foot tower for their walkie-talkie system.

Paul Dykstra-Ross Township Request to Use Ross Township Tower
 GLSWA is formally requesting permission to utilize Ross Township's 145 foot tower to aid the Authority in its alarm/control/data communication with our pumping stations. Pierson will attend the Ross Township Board meeting on September 13th.

David Gauthier-MDOT Clarification on MDOT Requirements
 Pierson requested clarification from David Gauthier at MDOT on the requirements for the School crossing. There has been no response.

Strombeck-11722 E DE Ave Letter of Clarification
 Pierson sent a letter to the Strombeck's that clarified the No Mandatory Connection Policy for sewer and explained the status of partial payments towards Connection Fees (non-refundable).

NEW BUSINESS / PROJECTS UPDATE

FYE 2016 Audit Presentation Authorize Submittal to State
 Robert Loftus from Seber Tans, PLC was present to review the results of the GLSWA audit for FYE March 31, 2016. 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 only \$20,000 bond debt remaining. The Authority's total net assets increased by 1.6% primarily due to capital contributed from a commercial customer to acquire additional sewer capacity. Revenue, excluding SAW Grant, decreased by \$60,000. "Base" revenue (excluding industrial and purge flow revenue) is approximately 66% of total revenue. Any variation in industrial and purge flow revenue will significantly impact the Authority's operating revenue. Expenses decreased by \$136,000 (6.9 %) primarily due to less SAW (asset management) expenditures. Compensation, Treatment Charges, and Depreciation make up approximately 84% of GLSWA's expenses. Absent depreciation, the Authority had a surplus of operating revenue over expenses of approximately \$244,000 in 2016. This compares to a surplus of operating revenue over expenses of approximately \$339,000 in 2015. Operations provided \$245,000 of cash flow, again, partially due to SAW reimbursement from the DEQ. During FYE 2016, the Authority recognized approximately \$147,000 of revenue from the SAW Grant and incurred costs of \$163,500 performing services covered by the SAW Grant related to the Authority's asset management plan. SAW Grant revenue is currently offsetting a portion of compensation cost that will need to be evaluated in the future. There were no management concerns to report. Mr. Loftus recommended that the Authority Supervisors 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. Kahler 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 Dykstra. **Motion carried; all ayes.** The Board thanked Robert for his work.

Following the Audit Presentation, Pierson discussed banking issues with the Board. Approximately \$405,000 has been designated for a downstream interceptor fund. To stay below the FDIC insured limit of \$250,000, 2 new bank accounts would need to be opened and the funds would need to be split between two different banks. A motion was made by Harma and seconded by Dykstra to distribute the interceptor funds between bank accounts to remain (within reasonable limits) below the \$250,000 FDIC limit. **Motion carried; all ayes.**

To reduce increased fees, Pierson recommended that a sweep account be established with PNC. A motion was made by Harma and seconded by Dykstra to authorize a PNC sweep account to minimize the fee structure. **Motion carried; all ayes.**

Cranes/Barnes Grinder Pumps Approve Purchase of 6 Grinder Pumps
Pierson asked for authorization to purchase 6 standard grinder pumps. (The last spare was recently sold to SCSWA). A motion was made by Kahler to authorize the purchase of 6 Grinder Pumps. Motion was seconded by Harma. **Motion carried; all ayes.**

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 September 7, 2016. Motion was seconded by Dykstra. **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.*

Credit Card Payments-Absorb Fees Forwarded to Rob Thall for Review

GLSWA forwarded a proposed contract with Official Payments to Attorney Thall for review. Pierson asked the Board to authorize execution of the Master Agreement with Official Payments subject to Attorney Thall's review. Dykstra made the motion to authorize the execution of the Master Agreement with Official Payments subject to Attorney Thall's review. Motion was seconded by Kahler. **Motion carried; 3 ayes; 1 no (Harma).**

SAW Schedule Updates

SAW Assistance Request Request of SAW Proposal from Wightman Associates
Pierson noted that we had, earlier in 2015, directed Prein and Newhof to cease work on the Authority's SAW program unless specifically requested by Director Pierson. Pierson has determined we may need assistance with upcoming portions of the SAW work, and in response to our request, we received a proposal from Wightman Associates regarding assistance with such SAW items.

Pierson reviewed with the Board an excel spreadsheet version of the Asset Management plan that is being developed. Pierson is going to meet with the DEQ to show them what we have done in house and possibly request an extension beyond the initial 3-year term of the grant ending May, 2017. Pierson asked for authorization to use Wightman Associates or Prein Newhof for assisting with SAW work. Harma made a motion to authorize Pierson to use Wightman Associates in addition to Prein & Newhof for SAW work as necessary within budget. Motion was seconded by Kahler. **Motion carried; all ayes.**

SAW work summary:

- PICA 2015 Results on FM Use South PICA results for North Pipeline
- PICA (5) Forcemains Initial results of 5 forcemains week of 7/11
- Inflow/Infiltration Ross Tower + Parchment Tower
- PACP-Cleaning + Camera: 25 miles camera complete; 26 miles remaining; 5 of which is grant eligible
- Manhole Repairs: 1200 total; 2015-84 under grass; 2016-80+ under asphalt; Avg 4/day 2 days/wk
- MACP-Manhole insp: 30% completed; will be completed by end of October
- Clean-up of GIS A. Hartwick working on GIS additions, easements, leads, GPS mapping, etc.

- Service Lead Addition A. Harwick is ahead of schedule on this task.
- Level of Service Contracts with Comstock/Galesburg; Letters to homeowners
- Asset Management Plan: Plan for October-November Meeting Presentation
- ArcGIS online demo: Plan for October-November Meeting Demonstration

Projects-Miscellaneous 2015-2016 Various Projects and On-Going Work

- Gilmore Farms – next phase of 240 homes +/-; requires sewer + water ext
- Plat east of Stage Coach Inn – Balwat Cottages: Ongoing – 1st Connection Made
- Gull Lake Condos – On Hold: Woodhouse Next Phase Not Yet Approved
- Cooper's Landing – 2 new buildings for 2016 – 19 Units per Building
- New 4500 sq ft bldg behind existing Mission Pte Restaurant: On-hold
- N. 32nd St: North of McDonalds - Proposed Nursing Home: On-hold
- New GL Schools Admin Bldg-Check rec'd – awaiting MDOT permit – then bids
- E DE Avenue-Richland T: Met with L. Harma/ M. Drouin / D LaDuke
- E DE Avenue-Ross T: Summary of costs, net of GL Labor = \$22,693

4 Outstanding Repairs-Now 2 Update

1 Manhole is already repaired; 1 drop manhole + 1 wye yet to be repaired. Aaron recently found another drop manhole that needs to be repaired.

Regional Commission Update

Richland letter sent – met with Lysanne, Marsha, and Desiree on contract issues.

Charleston Draft Proposal Forward Letter to Charleston Township

Pierson met with the Charleston Township Board and discussed ownership options/ costs and benefits. Pierson reviewed a draft letter to Charleston Township with the Board and asked for authorization to send it to Charleston Township. A motion was made by Dykstra and seconded by Harma to authorize Pierson to send the proposed letter to Charleston Township. **Motion carried; all ayes.**

OLD BUSINESS: ACTIVE

| | |
|------------------------------|--|
| Pole Barn | Seeking Assistance to Update Design for October |
| CMS Easement Acquisition | Engineering Survey Work Begun |
| Rosenberger-Gull Lake Condos | Resolution of pipe, manhole, engineering issues |
| Employee Review | Formal Review of Staff Scheduled for October Meeting |
| Metered Billing Update | Working with BS&A to coordinate databases |

OLD BUSINESS:INACTIVE (see attached list). The Board reviewed the Old Business / Inactive list.

FINANCIAL REPORT

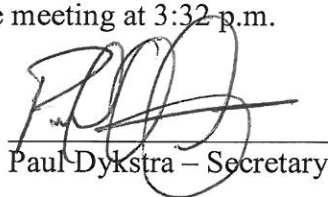
Financial Report / Bills Paid + Payable / Prein&Newhof Billing

A motion was made by Kahler and seconded by Dykstra to file the financial reports as presented, approve the standard bills paid through July 31, 2016, and pay the Prein & Newhof bill. **Motion carried; all ayes.**

CLOSING COMMENTS:

ADJOURN. NEXT MEETING WEDNESDAY, OCTOBER 26, at 1:00 p.m.
Chairman Stoneburner adjourned the meeting at 3:32 p.m.

Submitted for approval


Paul Dykstra – Secretary

Attch: Old Business / Inactive list

| No. | Item | Status |
|-----|---|---|
| 1 | DEQ Purge Well discharge RP corresponded with MDEQ to initiate this. | : Wells to be shut down Spring 2016; New Agreement to be drafted; Lease payment invoiced. : Overall revenues for Authority FYE 2017 will be reduced 8% (\$100,000 +/-) |
| 2 | Rob Thall - Property Acquisition/Easements Survey work initiated. | : 2-Properties: Consumers / Gull Lake Condos + Consumers at Auth offices : Intent to acquire easement and to purchase property in front of Authority: |
| 3 | Gull Lake Authority Property Development Awaiting redesign documents to submit to Ross | : Pierson to meet with Harma + Dykstra to make recommendation to Board on future Pole Barn / Office area expansion needs |
| 4 | Gull Lake Ministries | : 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 | Gilmore Car Museum - Sanitary Sewer | : GCM is "technically" within the SW BC Sewer / Water Authority jurisdiction, although GLSWA can provide gravity sewer at equal to or less than the cost for SWBCSWA to serve them |
| 6 | Galesburg - Comstock Interceptor | : Within main agenda |
| 7 | PICA See Snake Investigation Completed - preliminary results due 9/8 | : Within main agenda |
| 8 | Charleston Township Sewer Met with Charleston Twnp Board to discuss options | : 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. |
| 9 | 1980-1990 Easement Releases SAW eligible - Anne, Cheri, Rich + Andrew on-going | : 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). |
| 10 | Village of Richland Contract Met with D Greve, Village President to discuss delay in getting | : Contract drafted. To be reviewed and forwarded to Village for their January meeting : Contract drafted - email sent to Village President to meet and discuss utility issues |
| 11 | Sewer Connection Fee financing option | : Pierson to propose short-term Connection Fee Financing Plan for Conn Fees > \$ _____ |
| 12 | Sherman Lake Easement 'clean-up / verify' SAW eligible - Anne, Cheri, Rich + Andrew on-going | : Pierson to review easements and check for accuracy - file in GIS system |
| 13 | E DE Ave sewer - Botyrius - Gleason Project completed on budget (net of staff wages) | : Proposed easements + project to provide sewer to 4 properties along E. DE Avenue where Gull Creek flows under. Received DEQ + Soils permit; Amend budget + begin soon |
| 14 | 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 |
| 15 | Kalamazoo Regional W / WW Commission RP obtained direction from Auth Bd on overall issues | : GLSWA is party to a lawsuit (now withdrawn) regarding rates and charges : New water and wastewater agreements are being worked on the the Commission |
| 16 | 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 |
| 17 | 37th Street Grinder lines tapped into D Iron | : Corrosion issue with copper corrosion. : We have rebuilt 6 of these - 4 additional in Charleston Township to be rebuilt |
| 18 | 30th Street Gravity Sewer - Future | : 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 |
| 19 | Water Connection Fees (Village / Township) | : 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 |
| 20 | Mr. / Mrs. Cooper - 15968 Woodlawn Lot for sale: Rich wrote letter to realtor to advise | : Portion of private sewer on someone else's property (after the property was split) : Pierson proposed an easement for the seller to sign to remedy the private pipe - no response |
| 21 | Commercial Review / Apartment/ Metered Several iterations of 'joint data' obtained from BSA | : 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. |
| 22 | Miscellaneous Customer Fees | : Sump pump violations : Pierson to pursue with certified mail and Misc Customer fee procedure |
| 23 | Emergency Fuel Acquisition | : Authorized last year but never purchased due to space concerns / reconfiguration : Pierson to follow up in 2015 -- now 2016 |
| 24 | Manhole raising Project | Info: 160+ inaccessible; 83 + in yards, 73+ in road; Work continues: 90 in yards + 11 in road done: Preparing quotes for 2016 seasonal repairs |
| 25 | 4 Repair sites: to be bid Down to 3 sites - still planned for this fall | Info: 1 drop manholes under asphalt, 1 wye under asphalt, 1 Air release Possibly be in-situ (inside pipe) repairs : \$6000 each instead of \$8000 - \$10,000 each |
| 26 | Articles of Incorporation - to be reworked Done: Awaiting spring 2017 ordinance / contracts to be proposed | : Requires ratification by each municipal board. |
| 27 | Rosenberg : on Connection Fee + Eng Inv. Discussed by phone twice w/Mr. Rosenberger | : Said he would meet with Director Pierson in the near future (this was early January) |