

Gull Lake Sewer & Water Authority

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ASSET MANAGEMENT

SAW GRANT (Storm and Wastewater)

State of Michigan - MDEQ Grant for developing and funding Asset Management Plans

Asset Management (MDEQ SAW Grant) Synopsis: In 2014, the Authority received a grant from the MDEQ to prepare an Asset Management Plan (AMP). The AMP is a tool for the Gull Lake Sewer + Water Authority Board of Directors, Staff, and including the Customer community to collectively and proactively decide the importance / criticality of each functionally and financially significant (FFSA) asset, determine when to repair, replace or rehabilitate these FFSA assets and ultimately, evolve these improvements into a continuous Capital Improvement Plan (CIP) – a CIP that is adequately funded through rates set by the Board --allowing the Authority to achieve sustainability and to maintain a continual Level of Service (LOS) that protects the groundwater, public and adjacent communities from potential negative impacts of the wastewater collection system

What we found: (2014-2016):

GOOD NEWS:

96% of the Authority system is in excellent shape, even after 10-20-30 + years of use.

AND THE BAD NEWS IS.....

The wall thickness of 4% of our pressure piping (around Gull Lake – 35 years old) could lead to minor pipe failure within 10-15 years.

Overview: We discovered, through an in-depth analysis of our pumping stations and pressure pipes carrying wastewater, that both internal and external corrosion has shortened the life of portions of our piping system, and therefore, in order to prevent any sewage discharge on or into the ground, **the Authority will be replacing the critical pipelines over the next 10-20 years and beyond with a price tag of approximately \$7,000,000 dollars.**

2018 Rates: In order to fund the Capital Program of \$7,000,000 over the next 10-20 years, we will be proposing an initial series of **rate increases of 3.5% +/- per year for each of the next 4-years, then reevaluate and make recommendations.** This means the rate for a single family home will increase from \$26 dollars per month to \$27, then \$28, then \$29, then \$30.