BEAVER CREEK/GRAYLING TOWNSHIPS UTILITY AUTHORITY

Minutes of Regular Board Meeting,

September 21, 2026

Call to Order: Meeting called to order by Chairman Lawe at 4:04 pm at the Beaver Creek Township Hall.

Roll Call: Board Members Present: Hanson, Lawe, Peacock, Robson

Board Members Absent: Helsel

Others in attendance: Alma, Polanic, Johns, Lang, Stephan, Hotchkiss, Toro

Approval of Agenda: Motion by Hanson, second by Robson, **CARRIED** to approve the agenda. Yeas: All.

Approval of Minutes: Motion by Hanson, second by Robson, **CARRIED** to approve the minutes of the regular meeting of August 17, 2026. Yeas: All.

Meeting Business:

IAI Report: Johns reviewed the monthly IAI operations and maintenance report.

Johns reported that EGLE has requested a weekly report of the lagoon PH level.

Polanic reported that Lagoons 2 & 4 are now offline to address a high PH issue.

Treasurer's Report: Lawe stated that the September UDSA bond payments were made in the total amount of $41,800.00.

Lawe requested that Alma add the dates March 1st and September 1st to the BCGTUA digital calendar for purposes of tracking USDA bond payment due dates.

Accounts Payable: Motion by Robson, second by Hanson, **CARRIED** to approve the accounts payable in the amount of $36,499.69 for August 17 2026 – September 20, 2026. Roll call vote: All Yeas.

Report From Staff: None.

Correspondence:

1. Arauco Request for Reimbursement Letter, dated 8/26/2026: Lawe stated that he received a letter from Arauco requesting reimbursement of sewer charges for water shipped off-site between 3/11/2025 through 8/12/2026 in the amount of $6,605.51.

- Motion by Lawe, second by Robson, **CARRIED** to approve a billing credit to Arauco in the amount of $6,605.51. Roll call vote: All Yeas.

2. Alma reported that we received an engagement letter from Hanley CPA to conduct the prior fiscal year audit, and that a signature is required to authorize the audit.
3. Alma reported that we received the annual insurance policy documents, and that a signature is required on a form to be sent back to the Davd Chapman Insurance Agency.

Old Business:

1. Water Tank Cleaning Update: Lang stated that the water tank cleaning has not yet been completed and that he will follow up with the contractor about getting a date set.
2. Electrical Work Update: Lang stated that the electrical work has not yet been completed, but the IAI electrician plans to be on-site this week.
3. C2AE Phase 2 Proposal Update: Lawe stated that during negotiations with C2AE regarding their proposal, C2AE requested that BCGTUA execute a Waiver/Release in order to continue working with BCGTUA; that the BCGTUA's attorney has advised against entering into any such Waiver/Release; and that BCGTUA has requested proposals from other engineering firms to amend the BCGTUA Groundwater Discharge Permit, including Gourdie-Fraser.

New Business:

1. Water Main Expansion: Polanic stated that the Grayling Township municipal water expansion project is much larger than he originally realized, with approximately 57 miles of main lines to oversee; that Polanic expects 2-3 full-time IAI employees will be required to onboard the residential customers; and that onboarding of residential customers should begin within the next two weeks. Discussion regarding Alma's workload and the anticipated time required to onboard new residential customers.
2. Gourdie-Fraser Proposal: Proposal to conduct facility research, prepare supporting documentation, and draft Groundwater Discharge Permit modification application and submit to EGLE within 30-days after receipt of signed proposal.
    - Motion by Robson, second by Hanson, **CARRIED** to authorize Chairman Lawe to accept the Gourdie-Fraser proposal after receipt and review of any additional engineering proposals from other firms, should the Gourdie-Fraser proposal be the most favorable in Chairman Lawe's judgment. Roll call vote: All Yeas.
3. Grayling Township Proposed Operating Agreement: Stephan requests that the BCGTUA enter into the proposed agreement to operate the partially completed portion of the Township's water facilities prior to a formal conveyance.
    - Motion by Robson, second by Lawe, **CARRIED** to enter into that certain "Authorization for Operation of a Portion of the Township Water Facilities Pending Conveyance" contingent on a satisfactory review by the BCTGUA attorney. Roll call vote. All Yeas.

4. Insurance Renewal. Lawe to execute necessary insurance renewal documents.

Miscellaneous:

1. Alma asked Lawe for an update regarding establishing the Ready to Serve Fee(s) for SAAB's customer account. Lawe stated that number and size of all billable water meters is still being determined.
2. Motion by Lawe, second by Robson, **CARRIED** to approve the purchase of new curb stop keys. Roll call vote. All Yeas.

Member Comments:

1. Robson and Lawe requested that the board re-visit the idea of adding a meter to Arauco's "fire water line" to track water usage on next month's agenda.
2. Robson requested that the board re-visit the idea of moving the BCGTUA office location from the Beaver Creek offices to the Grayling Township offices on next month's agenda.

Public Comments: None.

Adjournment: 5:50 p.m.

Respectfully submitted,

Robert J. Lawe
Secretary