

SOUTH COUNTY SEWER & WATER AUTHORITY

(Townships of Brady, Pavilion and Schoolcraft, and the Villages of Schoolcraft and Vicksburg)

7510 East "Q" Ave., Scotts, MI 49088 Ph. 269-321-8925 Fax 269-321-8943

Email- scswa@ctsmail.net

DRAFT: submitted for approval on 7-24-18

Authority Regular Meeting Minutes Tues. June 19, 2018 9:30 am Pavilion Twp. Hall

Regular Meeting was called to order at 9:33 a.m. by Vice Chairman John Speeter (Pavilion Township Supervisor). Present were Trustee Tracy Locey (Brady Township Supervisor), Secretary/Treasurer Don Ulsh (Supervisor, Schoolcraft Township), and Trustee Keith Gunnett (Village of Schoolcraft Council President. Trustee Bill Adams (Village of Vicksburg Council President) was absent. Also present were Director Rich Pierson, Administrator Cindy Chapman, Alan Smaka & Andrew Rudd (WAI), and Guest John Gisler (Kalamazoo County Commissioner). Don Ulsh left at 11:00 a.m.

Review and Set Agenda -

The agenda was presented for review. Motioned by Ulsh, seconded by Gunnett to accept the agenda as presented. **Motion carried; All Ayes.**

Review of Minutes-

The draft minutes of 4-17-18 were presented for review. Motioned by Locey, seconded by Ulsh to approve the minutes as presented. **Motion carried; All Ayes.**

Hear those present-

- John Gisler- County Commissioner Gisler noted recent revisions to the application to serve on the Citizen Advisory Board in Kalamazoo County will require applicants to be void of any prior warrants and/or felony convictions.

General Correspondence-

- From: Robert Thall (Bauckham, Sparks PC) - As requested, Attorney Thall commented on the current voting structure (as stated in the Articles of Incorporation) where municipalities with existing customers having 2 votes each versus municipalities without existing customers having 1 vote each. Thall suggests a revision to clarify the Articles allowing action to pass by a "simple majority vote", rather than, "a vote of a majority of the then existing membership". Pierson suggested postponing the formal revision of the Articles of Incorporation until it can be included with potential other amendments in a few months. Motioned by Locey, seconded by Speeter to table the revision for 3 months. *Chapman to place this item under Old Business – inactive as a reminder.* **Motion carried; All Ayes.**
- To: Bryan Deal- The Authority noted concern regarding the 3rd replacement of a grinder pump on the S. 29th St. property since the initial installment in 2006. As the Authority investigates the cause for the multiple pump failures (these pumps usually last 8-15 years), a letter was sent to the homeowner asking for his insight to the matter. Given the additional expense to the Authority, Speeter recommends contacting the pump manufacturer to inquire about warranty and/or probable cause. *Pierson to contact the pump manufacturer rep in this regard.*
- To: Chapman Memorial Church- Per our 2011 agreement, a letter was mailed to inform the church of the annual user rate adjustment as it relates to their annual metered water usage. The rate adjustment (REU increase from 4.2 to 4.85) will be reflected on the July 2018 invoice.
- From: MI Twp Par Plan- On May 25, 2018, the Authority received a 2014-2015 dividend distribution

totaling \$143.06 as a member of the MI Township Participating (Liability Ins) Plan.

Project Status:

- WAI US-131 Feasibility Study- Smaka presented the updated work on the US-131 project, labeled "Project Assumptions & Constants" -- showing six different project Alternatives with project cost estimates ranging from \$10 mil to \$30 mil, including identifying eight specific service areas with treatment via lagoon system and/or a treatment plant. Alternative VI (the full project scope) includes the following service areas; Indian/Pickerel Lakes, Barton Lake (ring road), Sugarloaf Lake, US-131 North & South, the full Village of Schoolcraft and Sprinkle Rd. None of the six project Alternatives consider grant funding or future growth in their cost calculations, therefore, any grant funding up front would lower the estimated project costs and long-term growth, if it occurs, should mitigate the proposed rates. Smaka noted, USDA-RD Grant funding budget has tripled this year, increasing the Authority's odds to receive a funding and/or grant for this project. The Authority Board requested WAI schedule a workshop meeting in 2 months +/- to review and discuss the feasibility study data/financials in more detail as we move forward. Motioned by Ulsh, seconded by Speeter to authorize WAI to prepare and submit the USDA-RD Grant application on the Authority's behalf for the "full project scope" presented. **Motion carried; All Ayes.**
- TU Ave/26th St extension- Although the extension from TU Ave. south on 26th is not financially feasible at this time, the "full project scope" does include some gravity sewer south of TU Ave. on Sprinkle Rd. continuing east on UV Ave. toward 26th St.
- Sprinkle Rd. Gravity Extension- Pursuant to meetings to prepare solutions for the recent flooding event (where SCSWA Pump Station #1 was not able to pump due to flooding in both the Village and at Indian/Pickerel Lakes), Engineer Smaka has been asked to prepare a "memo of understanding" for a Village of Vicksburg/Authority Agreement extending 4000 feet (\$400,000 est.) of gravity sewer on Sprinkle Rd south to TU Ave. Such extension will eliminate LS #1 technical issues during flood conditions and provide additional service area for SCSWA. forcemain. Motioned by Locey, seconded by Gunnett to have Smaka to prepare the "memo of understanding" to present to Brady & Pavilion Township Boards, and move forward with the project. **Motion carried; All Ayes.**

New Business

- Annual Audit- Chapman noted, the annual audit for SCSWA is complete. Seber Tans to complete the summary for presentation in August or September.
- New Construction- Chapman mentioned two new sewer connection fees (\$5200+\$10400) pending; Crowne Pointe Shores Lot #6 (Brady Twp) and 10397 S. 29th St. (Pavilion Twp). Both homes are under construction at this time.
- Website Language- the website language regarding Debt Service Fees has been revised to explain the "rate shift" from Debt Service (restricted to pay-off the original construction bonds-PD in Full Dec 2017) to Repair & Replacement as of Jan 1, 2018. As we will now need a portion of these funds for operations and maintenance, SAW grant and other expenses, a clarification will need to be made including revised rate resolutions at Pavilion and Brady Townships. Pierson suggested targeting November / December for clarification. *Chapman will place this item under Old Business – inactive.*

Old Business

- Asset Management (SAW Grant)- Smaka/Pierson continue to work on the SAW grant budget.
- Water Elimination Program- the Board discussed moving forward with home inspections to identify illegal use of sump pumps contributing to excess water flow. Pierson noted Ken Schippers had offered to do the physical inspections of each home in the Indian/Pickerel Lakes sewer district (est. 600 homes). *Pierson to talk with Schippers and prepare an agreement with him for the inspection work so that a timeline can be determined at the July meeting.*

- Vicksburg O&M Agreement- On May 24th, Smaka/Pierson/Chapman met with Village Manager Mallery to continue the discussion on the O&M Agreement. Mallery noted concern the Village DPW would prefer not to continue maintaining our Lift Stations and providing O&M services due to several concerns. (i.e. lack of staff, time involved, loss of income etc.) Pierson asked Mallery to give us until after our June meeting to make a final decision with the Village Council. The Authority Board reviewed quotes received from two outside firms and discussed the possibility that another public entity (such as Gull Lake Sewer & Water Authority) may have interest in performing O&M. The Board concurred it appears to be in the best interest of the Authority (and Vicksburg?) to proposed a new O&M Agreement with the Village DPW in order to make it appropriate for both parties. Motioned by Speeter, seconded by Gunnett to have Pierson contact Mallery on the Board's behalf and attempt to meet once more to discuss the Village's concerns and possibility of extending/rewriting an O&M contract agreement. **Motion carried; All Ayes.**
- Insurance- pending information from Decker Agency regarding additional back-up coverage.
- Election of Officers- Motioned by Locey, seconded by Gunnett to table the decision to elect a new Board Chairman (Randy Smith resigned in May) until the July meeting so that all members can be present. **Motion carried; All Ayes.**

Old Business-Inactive

- Sprinkle Rd Finance Contract- Pavilion Township interest due on SR Contract remains open for discussion at a later date prior to contract expiration in 2020.

Financial Review-

- General Operating Expenses in the amount of \$47,113.72 were presented for payment. Chapman pointed out additional expenses of \$2500 in May due to excessive rains requiring pump and haul from Lift Station #10 (Tomkinson Dr.), as well as increased treatment charges, lift station electric and overtime labor. Pierson noted, regardless of the excess water flow and increased expenses continue this year, the O&M revenues will need to be supplemented from the Repair and Replacement funds. Motioned by Locey, seconded by Speeter to pay the expenses as presented and file month end financials as presented. **Motion carried; All Ayes.**

Other Business- no other business at this time.

Closing Comments - Gunnett commended Wightman & Associates' expertise in putting together a Master Use Plan for the Village of Schoolcraft conducive to the Village community concerns and desires. He noted the Village Council and the community are encouraged and looking forward to moving in the direction outlined in the Plan.

Meeting was adjourned – Motioned by Speeter to adjourn at 11:19 a.m., seconded by Locey. **Motion carried; All Ayes.** The next meeting is tentatively scheduled for **Tues., July 24th, 2018** at 9:30 a.m.

Submitted for approval on July 24, 2018.

Approved by Don Ulsh 7-24-18
Don Ulsh, Secretary / Treasurer