

SOUTH COUNTY SEWER & WATER AUTHORITY

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

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DRAFT: submitted for approval on 11-14-17

Authority Regular Meeting Minutes Tues. October 17, 2017 9:30 am Pavilion Twp. Hall

Regular Meeting was called to order at 9:30 a.m. by Chairman Randy Smith (Supervisor, Brady Township); present were Vice Chairman Patrick White (Supervisor, Pavilion Township), Trustee Keith Gunnett (Village of Schoolcraft Council President) and Trustee Bill Adams (Village of Vicksburg Council President). Secretary/Treasurer Don Ulsh (Supervisor, Schoolcraft Township) was absent. Also present were Director Rich Pierson, Administrator Cindy Chapman, Alan Smaka, PE., (Wightman & Associates), John Speeter (Deputy Supervisor, Pavilion Township), and John Stodola (Village of Schoolcraft, Alternate).

Review and Set Agenda -

The agenda was presented for review. Pierson asked to add, Pierson-retirement, to Old Business-inactive. Motioned by Adams, seconded by White to accept the agenda with requested change. **Motion carried; All Ayes.**

Review of Minutes-

The draft minutes of 9-12-17 were presented for review. Motioned by White, seconded by Smith to approve the minutes as presented. **Motion carried; All Ayes.**

Hear those present-

No comments were made at this time.

General Correspondence-

- To: Debbie Jung-RCKC- the Authority inquired via email regarding a future road widening project on W. Indian Lake Dr. The Authority asked to be informed to coordinate any possible repair work on the forcemain at the same time if needed. Jung responded saying, being it is a local road, Brady Township would determine when the project will occur. Smith noted he is communicating with RCKC regarding costs on this issue.
- To: Jim Mallery (Vlg of Vicksburg)- the Authority requested a copy of the sewer infrastructure report prepared for the Village through their SAW grant. Adams noted the Village is looking into repairs/upgrades/concepts/timeframes/cost and funding under the SAW structure. Adams noted he will check into getting a report to homeowner Luanne Czochara per her request. Pierson suggested he and Chapman meet with P&N and the Village to discuss the future sewer plans in the Village. *Pierson to contact Mallery for meeting date.*
- From: MI Dept of Treasury- the Authority received a letter requesting a CAP (Correction Action Plan) in regards deficiencies reported in the last audit.
- To: MI Dept of Treasury- the Authority drafted a response stating the Authority's expenditures, as shown on the report, include depreciation. Absent depreciation, we are in a sound fiscal position relative to short and long-term expenses (that is, we don't consider depreciation expense a cash funded obligation (don't collect \$198,891 (2017) annually from the rate payers to cover the depreciation of the capital assets). The "draft" letter was reviewed by the Board. Motioned by

White, seconded by Smith to forward our response to the MI Dept of Treasury as required, subject to review by the auditors prior to sending. **Motion carried, all Ayes.**

Project Status:

- WAI Feasibility Study- Smaka summarized the project status. . Meetings along the US 131 corridor have shown there is a need for sewer/water and continued interest from business owners for a future project. Smaka suggested looking into a modified project for a smaller service district that does not include all of the Village of Schoolcraft (residential), and possibly the construction of a lagoon facility (lower operating costs). The Board agreed to have WAI study the new options/cost scenarios and report back in 2 months for further discussion.

New Business

- Quick Books- Chapman handed out a summary of costs related to converting the current Sage Accounting system to Quick Books. Total cost including software upgrade and conversion fees (Seber Tans) will range from \$1000-\$1500 this fiscal year. Annual software upgrade costs are comparable to Sage at \$700-\$900 per year. The Board agreed to move forward with the conversion to Quick Books. Motion to approve by Smith, seconded by Adams. **Motion carried; All Ayes.** *Chapman to purchase the software, install and convert the system prior to Jan 1st, 2018.*
- User Rate adjustment- a draft letter to property owners was presented to the Board for review stating the quarterly usage invoice will be adjusted beginning Jan 2018 as the debt service fee of \$60/quarter (covering Bond payments) will no longer be required as of Dec 2017. However, the Authority will, at that time, collect the \$60/quarter fee to fund upcoming repair/replacement costs that will be identified with the Asset Management work over the next 2-3 years, as we have not been able to set-aside funds for future costs (due to the annual debt payments). Adams noted it is expected (as occurred within the Village) that the SAW grant findings will determine the validity of the annual rate as we move forward. Motioned by Smith, seconded by White to approve the preparation of rate resolutions for the Authority to recommend to Brady and Pavilion Townships to enact. **Motion carried; All Ayes.** *In November, rate resolutions to be provided to the Authority for approval. .*

Old Business

- Asset Management (SAW Grant)- As the Board has authorized acceptance of the SAW grant for \$325,000, Pierson and Smaka will continue to work on the SAW expense summary to provide for use of funds in areas where they will have the most impact. *Pierson/Smaka to present additional detail in November/December.*
- Clean Water Elimination- Pierson noted a door-to-door campaign to determine illegal sump pump connections is costly. Smith noted the possibility of targeting those areas in the district where homes are suspect due to high water tables. *Pierson to bring more information to the table in November/December, perhaps coordinating a portion of the work under SAW capacity issues.*
- New Connections pending-
 - Maintenance Building-Crowne Pointe Shores- pending sewer connection and connection fees due the Authority.

Old Business-Inactive-

- Pierson retirement- Pierson noted he will be retiring as Gull Lake Sewer and Water Authority's Executive Director at the end of March 2018. Pierson is available to continue working with the

Gull Lake Authority, the South County Sewer Authority and Kalamazoo Regional Water / Wastewater Commission on a one week per month basis through most of 2018. The South County Sewer + Water Authority Board expressed interest in having Pierson continue with management duties into mid-2018 as suggested.

Financial Review-


- General Operating Expenses in the amount of \$ 85,921.97 (includes a \$65,000 restricted funds transfer to MM acct) were presented for payment. The monthly check register and financial reports as of September 30, 2017 were presented for approval. Chapman noted 3 line items (Electric LS, Kalamazoo Treatment & O&M parts) are being monitored for possible budget overages. Motioned by White, seconded by Smith to pay the expenses as presented and file the financial reports as presented . **Motion carried; All Ayes.**

Other Business- White noted Pavilion Township would like to revisit the 2005 Sprinkle Road construction finance contract as it pertains to annual interest due the Township, through 2020, on the outstanding loan balance (currently \$80,000). The Authority continues to make payments to the Township as Sprinkle Road property connect to the sewer. *Pierson agreed to look at the contract in regards to this issue.*

Board's Closing Comments – no closing comments.

Meeting was adjourned - The next meeting is scheduled for **Tues., November 14th at 9:30 a.m.**

Submitted for approval on 11 14, 2017.

Approved by 
Don Ulsh, Secretary / Treasurer