

A regular meeting of the Gratiot Area Water Authority was called to order at 12:06 p.m. by Chairman Phillip Moore in the Alma Municipal Building. A quorum of the Authority was present.

Authority members present: Phillip Moore, Don Pray, Melissa Allen, and Kurt Giles.
Authority members not present: Tom Reed, and Roxann Harrington.
Others present: Ron Turner, John Willemin, Keith Risdon, Paul Borle, Theo VonWallmenich, Bill Pilmore, and Ernie Sarkipato.

Motion by Allen, seconded by Giles, to approved the agenda as presented. Motion carried with a unanimous voice vote.

Motion by Allen, seconded by Pray, to approve and place on file the minutes of April 21, 2017, as presented. Motion carried with a unanimous voice vote.

Other Business

Chairman Moore explained that information from last month's meeting about water rate increases had been taken back to respective communities by Authority members, and a resolution approving the increase is the next step. Discussion was held on the timing of the approval and effective date of the increase. Giles said that he had calculated the expected increase to St. Louis customers based on an average of 5,000 gallons per month and expected an approximate increase from \$33.99 to \$35.69 resulting from a wholesale rate increase. Chairman Moore noted that average usage by Alma customers is 4,000 gallons per month. He said the change to customers could be anywhere from a 5% decrease to a 5% increase depending on customer size. Business customers will likely see an increase, but residential customers may not see an increase at all.

Discussion moved to calculations for depreciation funding and Turner explained that projects in progress were not included in estimations. Those finished projects will likely result in additional required funding for next year's budget.

**Resolution 2017-0001
2017 Wholesale Water Rate Change**

Whereas, the Gratiot Area Water Authority has determined that all operational and depreciation costs shall be fully funded from operations,

Whereas, in an effort to fully cover operational costs and fully fund depreciation, the Gratiot Area Water Authority has determined that rates should increase from the current rate of \$2.11 per thousand gallon unit,

Therefore, be it resolved, that the Gratiot Area Water Authority Board of Directors, on this twelfth day of May, 2017, sets the wholesale water rates to the cities of Alma and St. Louis, at \$2.45 per thousand gallon unit, effective July 1, 2017.

Motion by Pray, seconded to adopt the resolution and place it on file. Motion carried with four (4) yes votes. Voting yes: Moore, Pray, Allen, and Giles. Absent: Reed and Harrington.

Authority Member Roxann Harrington arrived at 12:16 p.m.

Chairman Moore presented the proposed FY 2017/2018 budget and opened the floor for questions. Giles asked about an increase in salaries, wages, and benefits. He was told there were a 2% COLA increase and step increases included in the proposed totals. Pilmore noted there is an employee who is mainly working plant maintenance now and the wages are showing up more in the GAWA budget now, as opposed to previously being mainly charged to the city budget. Increases in benefits are due mainly to increases in insurance rates and required retirement funding.

Other budget increases were reviewed including facilities maintenance, depreciation funding, and water testing. Administration costs appear to be down, but employee time is being allocated in other areas due to construction, and the costs are reflected in other areas of the budget.

Motion by Allen, seconded by Giles, to approve the Gratiot Area Water Authority fiscal year 2018 operational budget, effective July 1, 2017. Motion carried with a unanimous voice vote.

Engineering Report

John Willemin, of Fishbeck, Thompson, Carr & Huber, offered the following engineer's update:

Water Plant

- Closeout work consists primarily of the mechanical contractor's remaining work and documentation submittals and SCADA reporting.

Booster Stations

- RCL has indicated that the punch list is complete and the project is ready for final walk through.
- There is a meeting May 12, 2017 to discuss ongoing telemetry issues with the Giddings Tank site.

Wells 10 and 11 Raw Water Transmission Main

- Construction is in progress. Work is proceeding in the City of Alma portion of the project.
- There is a public meeting on May 24, 2017 to discuss the project.

Wells 10 and 11 Well Houses

- Shop drawing submittal review is continuing.
- Site work began May 8, 2017 on the access drive.
- The access drive alignment was adjusted by Bulletin to minimize disruption to the Peska's yard.
- The easement with the Peskas has been executed.

Hydrogeological Study and Well 12

- No report this month.

Motion by Harrington, seconded by Allen, to receive and place on file the Engineer's Report. Motion carried with a unanimous voice vote.

Water Production Report

Ron Turner provided his water production report for April. He noted there is a correction in the water report for changes due to an erroneous meter reading in March. Discussion followed regarding meter readings and water loss and water loss tracking.

Motion by Pray, seconded by Allen, to receive and place on file the April Water Production Report. Motion carried with a unanimous voice vote.

Financial Statements

Paul Borle, City Treasurer, presented the financial statements for April. Members Pray and Allen asked about the 2017 totals for Compensated Absences and Net Pension Liability. Borle acknowledged an error and explained the numbers are reversed and should be corrected to match the totals in the 2016 column.

Motion by Giles, seconded by Harrington, to receive and place on file the April Financial Statements with correction. Motion carried with a unanimous voice vote.

Appropriations

Motion by Allen, seconded by Harrington, to approve Warrant 17-11 and the several amounts scheduled therein, also to authorize the City Treasurer to issue checks for payment of the same. Motion carried with a unanimous voice vote.

Public Comment

Bill Pilmore introduced Ernest Sarkipato, District Supervisor for MDEQ's Community Water Supply Program. The state of Michigan has been divided into three districts for oversight of surface water plants. Three specialized supervisory engineers have been appointed to oversee the new districts. Mr. Sarkipato is the supervisor for our district and will be the water plant's contact with MDEQ.

Motion by Giles, seconded by Allen, to adjourn the meeting at 12:54 p.m. Motion carried with a unanimous voice vote.

Sara Youngs, Recording Secretary

Date of Approval