

GOGEBIC RANGE WATER AUTHORITY
REGULAR MEETING – JANUARY 10, 2008
MINUTES

The Gogebic Range Water Authority met in regular session on Thursday, January 10, 2008 at the Bessemer Township Hall in Ramsay, MI 49959. Notice of meeting was published in the *Daily Globe* newspaper's "Eight Day Calendar of Events".

CALL TO ORDER: The meeting was called to order by Chairman Rickard, followed by the pledge of allegiance to the flag.

ROLL CALL: Present: Prisbe, Frello, Pavlovich, Rickard, Smith, Grenfell, Partyka (alternate), Estola and Administrator Verbos.

Absent: Anderson, Bertetto, Pikka and Salmi

Also present: Dave Traczyk, GRWA Auditor and two citizens.

PRESENTATION OF MINUTES: Moved by Smith and supported by Grenfell to accept as presented and place on file the minutes of the December 13, 2007 regular meeting. Motion carried.

PRESENTATION OF 2007 AUDIT: Mr. Dave Traczyk, CPA, presented the fiscal year ended June 30, 2007 financial audit. Mr. Traczyk reported that the GRWA has received a "clean" audit opinion and was in good shape financially. Mr. Traczyk stated that there were no reportable conditions or management letter needed due to the fact that any issues encountered were resolved prior to the audit.

Chairman opened the meeting for questions and comments from the board members and audience. There being none, it was moved by Prisbe and supported by Pavlovich to accept the 2007 audit as presented and place it on file.

Motion was unanimously carried upon a roll call vote.

OPERATING ACCOUNT CLAIMS: Moved by Smith and supported by Prisbe to approve payment of the claims against the operating account in the amount of \$50,057.39 which includes USDA Loan 91-03 payment of \$38,637.50.

Motion was unanimously carried upon a roll call vote.

COMMUNICATIONS: Moved by Grenfell and supported by Estola to place the communications on file. Motion carried.

OLD BUSINESS:

A. Administrator gave an update on the water storage tank project. There has been a delay in receiving the deed to the property needed to construct the tank due to collateral liens placed against the property by Grand View Hospital's bonding companies for improvement and construction loans taken out by GVH. This information was not volunteered by the GVH attorney or representatives during meetings selecting this site for the storage tank. The GRWA attorney gave a clean opinion on the property deed; due to this GRWA instructed the engineers to proceed with design and bid the project. Had the

proper title investigation been conducted by the GRWA attorney prior to issuing his opinion GRWA would not have commenced the costly design phase of the project. The property deed is the only item preventing the project from going to bids. GVH administrator has made this her highest priority and is working diligently to resolve the problems with the site deed. Due to these issues GRWA will probably not be able to meet the project completion date of August 1, 2008 and should notify GVH in writing of such. Moved by Grenfell and supported by Smith to authorize GRWA administrator to send a letter to GVH putting them on notice of the possibility of not meeting the project completion date. Motion carried.

After a brief discussion regarding the storage tank deed issues, it was moved by Grenfell and supported by Pavlovich to authorize the administrator to seek letters of interest from other local attorneys to represent GRWA in construction project and general legal matters in the future. Motion carried.

B. Interim funding for the upcoming Ironwood Township water project was discussed. There will be expenses for debt retirement and construction design prior to disconnection from the City of Ironwood water supply that will need to be planned for. It has been suggested that Ironwood Township set up a special assessment district for this reason. Mr. Estola, Ironwood Township Supervisor, stated that he make this an agenda issue at their next meeting.

C. Administrator stated that all the paperwork needed to bid the Anvil/Indianhead water project is finished and sent to USDA legal department for review. Bidding is expected to be advertised in February 2008.

NEW BUSINESS: None

FINANCIAL REPORTS: Moved by Grenfell and supported by Smith to place the financial reports on file. Motion carried.

PUBLIC COMMENT AND OTHER BUSINESS: None

ADJOURNMENT: Moved by Smith and supported by Prisbe to adjourn at 7:05 p.m. Motion carried.

Walter Rickard, Chairman

G. Jean Verbos, Administrator