

**GOGEBIC RANGE WATER AUTHORITY
REGULAR MEETING – FEBRUARY 8, 2007
MINUTES**

The Gogebic Range Water Authority met in regular session on Thursday, February 8, 2007 at 6:30 p.m. at the Bessemer Township Hall in Ramsay, MI 49959.

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

ROLL CALL: Present: Anderson, Bertetto, Ozzello, Rickard, Pikka, Smith, Grenfell, Olson, Salmi and Estola

Absent: Pavlovich

Also present: Jim Bucknell, GRWA attorney and John McLean Bessemer Township Trustee.

PRESENTATION OF MINUTES: Moved by Ozzello and supported by Olsen to accept as presented and place on file the minutes of the January 11, 2007 meeting. Motion carried.

OPERATING ACCOUNT CLAIMS: Moved by Bertetto and supported by Ozzello to approve payment of the claims against the operating account in the amount of \$19,730.89.

Motion was unanimously carried upon a roll call vote.

COMMUNICATIONS:

Hannula Agency annual insurance review: Administrator outlined the annual general liability insurance review to the board. Hannula Agency had all of the GRWA assets appraised by an independent appraiser to update the values. The new values were reviewed. GRWA is now insuring their assets at their current values.

It was noted that GRWA has submitted another federal special appropriation in the amount of \$1,500,000 through Senator Levin's office. It was felt that the \$4,000,000 request made last year was just too large, therefore it was not granted.

City of Bessemer has appointed Glen Pavlovich as its at-large representative to the GRWA Board.

Moved by Olsen and supported by Anderson to place the communications on file. Motion carried.

OLD BUSINESS:

A. The Anvil Indianhead Financing Contract was discussed. GRWA is proceeding with the water system improvements in the Anvil location of Bessemer Township and the Indianhead Ski Resort area of Wakefield Township and will be selling a bond in the amount of \$1,500,000. This is a loan only project. Bessemer Township will be responsible for 91.3 % of the debt and Wakefield Township will be responsible for 8.7% of the debt. All parties involved in the project need to approve the Financing Contract and

adopt the resolution approving the contract. A 45 day referendum notice will be published after GRWA, Bessemer Township & Wakefield Township adopt and sign the documents. The 45 day notice must expire without a petition for referendum before the project is bid.

Moved by Bertetto and supported by Grenfell to approve and authorize signatures on the Anvil/Indianhead water system improvements Financing Contract and to adopt the Resolution Approving the Contract, contingent upon approval by Bessemer Township at its February 12, 2007 meeting, and authorize publication of the 45 Day Notice.

Motion was unanimously carried upon a roll call vote.

B. Moved by Olsen and supported by Bertetto to approve signatures on the Bessemer Township Water System Franchise Agreement which was previously adopted and signed by Bessemer Township.

Motion was unanimously carried upon a roll call vote.

C. Wal-Mart had offered a side agreement to the GRWA to construct a water main to serve the proposed construction of their new super center in Ironwood Township. Wal-Mart proposes to pay GRWA a non-refundable amount of \$20,000.00 upon signing the agreement. This will enable GRWA to proceed with the design and permitting necessary to start construction of the water main as early as possible in the spring. GRWA will receive the payment if the store is build or not.

Moved by Bertetto and supported by Grenfell to approve and authorize the Administrator to sign the Wal-Mart side agreement.

Motion was unanimously carried upon a roll call vote.

NEW BUSINESS;

A. Moved by Olsen and supported by Anderson to approve and authorize signatures on the Phase 2 Engineering Agreement amendment with Wilcox Professional Services to perform the design, permitting and inspections of the water main extension to serve the proposed Wal-Mart Super Center in Ironwood Township in the amount of \$20,000.

Motion was unanimously carried upon a roll call vote.

B. A Franchise agreement was prepared by the administrator and presented to the GRWA Board for discussion. The agreement is for the Indianhead Ski Resort Area water system only, located in Wakefield Township, and is needed to facilitate the water system improvements project funding. If adopted by Wakefield Township, GRWA would then own and operate the water system.

Moved by Olsen and supported by Bertetto to offer the Indianhead Water System Franchise Agreement to the Wakefield Township Board for approval.

Motion was unanimously carried upon a roll call vote.

C. Administrator Verbos requested approval to fund the USDA required set-aside accounts annually during the first quarter of each calendar year. The participating units of government are billed quarterly for their respective shares of these funds, when reimbursement is received the GRWA funds used will be re-paid. The amount needed

for the annual funding of the accounts (excluding the proposed Anvil/Indianhead project) is \$35,500.00

Moved by Grenfell and supported by Pikka to approve funding the USDA required set-aside accounts annually using GRWA funds which will be reimbursed upon receipt from the participating units of governments.

Motion was unanimously carried upon a roll call vote.

D. At this time Randy Scott, GRWA engineer, reported that he has had met with representatives of the Hurley, WI water system. Hurley is in the process of designing and building a water source and distribution system upgrades. GRWA is opening the door for collaboration with the City of Hurley on various water system related issues.

The Ironwood Township water system project was discussed. It is the consensus of all present that GRWA must move forward with their project since the bulk purchase water rate with the City of Ironwood appears to be stalled.

E. The Wal-Mart Development Agreement changes were reviewed by the GRWA Board. With the addition of wording to the effect that "an extension of the main east and west from the point of entry to the Wal-Mart property is not considers a "tap" and is therefore not subject to the reimbursement clause ", the agreement is acceptable.

Moved by Ozzello and supported by Olsen to approve and authorize signatures on the Wal-Mart Development Agreement contingent upon review and approval by the GRWA executive committee.

Motion was unanimously carried upon a roll call vote.

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

PUBLIC COMMENT AND OTHER BUSINESS: None

ADJOURNMENT: Moved by Olsen and supported by Bertetto to adjourn at 7:15 p.m. Motion carried.

Walter Rickard, Chairman

G. Jean Verbos, Administrator